FEDERAL RESERVE BANK OF SAN FRANCISCO

Banks at a Glance:

Economic and Banking Highlights by State 4Q 2017

These semi-annual reports highlight key indicators of economic and banking conditions within each of the nine states comprising the 12th Federal Reserve District.

This report is based on data as of 12/31/2017 and has been prepared primarily for bank supervisors and bankers. The opinions expressed in this publication are those of the authors. Opinions are intended only for informational purposes, and are not formal opinions of, nor binding on, the Federal Reserve Bank of San Francisco or the Board of Governors of the Federal Reserve System.

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Banks at a Glance: Alaska

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FEDERAL RESERVE BANK OF SAN FRANCISCO

Economic and Banking Highlights

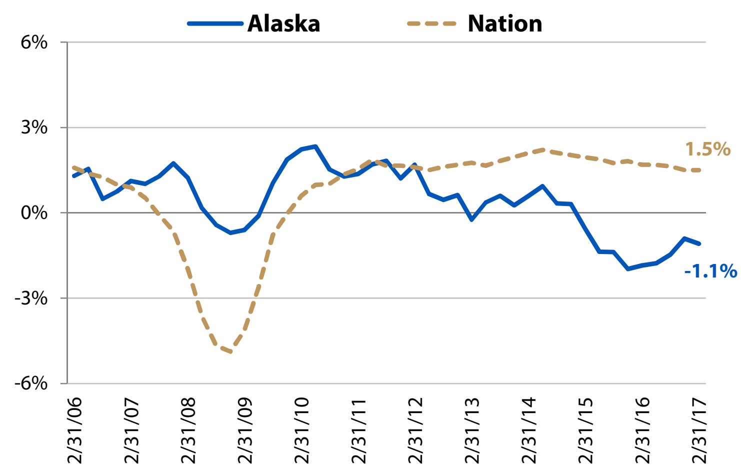
Data as of 12/31/2017

- Alaska's economy continued to struggle as the energy-led recession impacted state tax revenues. Year-over-year job losses continued and the unemployment rate remained the highest in the nation at 7.2%, partly due to increased labor force participation. Home price growth was modest on average and remained somewhat volatile, while single family permits trailed the nation.
- Alaska's commercial banks performed on par with the nation as the average return on average assets ratio dipped just below the national average. Although returns benefitted from wider margins and declining overhead ratios, these improvements were offset by higher provision expense burdens and one-time tax reform-related write-downs of deferred tax assets. Asset quality issues were manageable and capital ratios remained healthy. Securities and liquid investments to total assets continued an extended downward trend, but still ranked second highest in the nation.

Key Economic Metrics (ranking #1 = highest in the nation)

Year-over-Year Job Growth: -1.1%

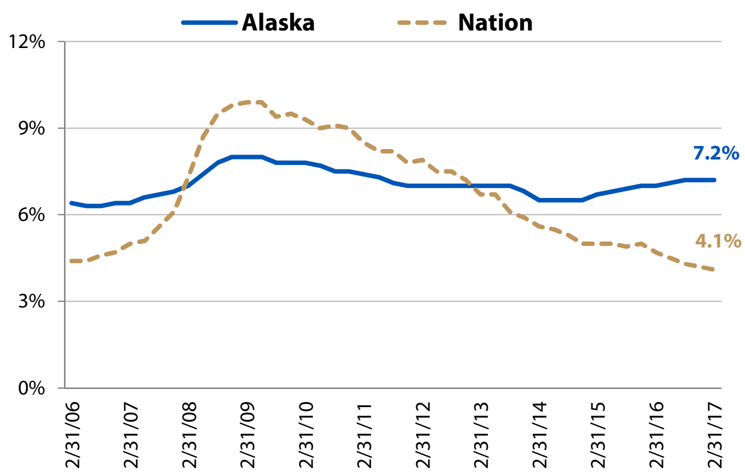
Rank: #50



Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 7.2%

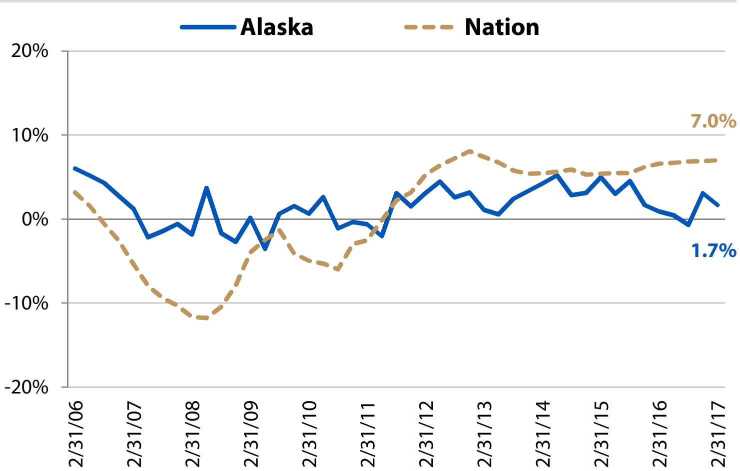
Rank: #1



Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 1.7%

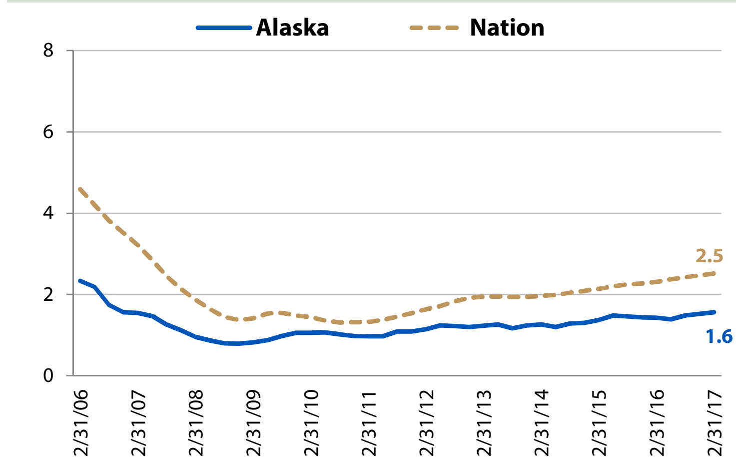
Rank: #49



Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 1.6

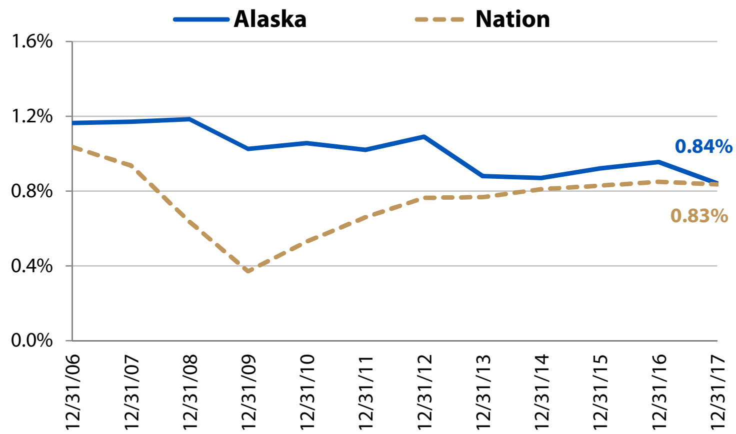
Rank: #40



Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

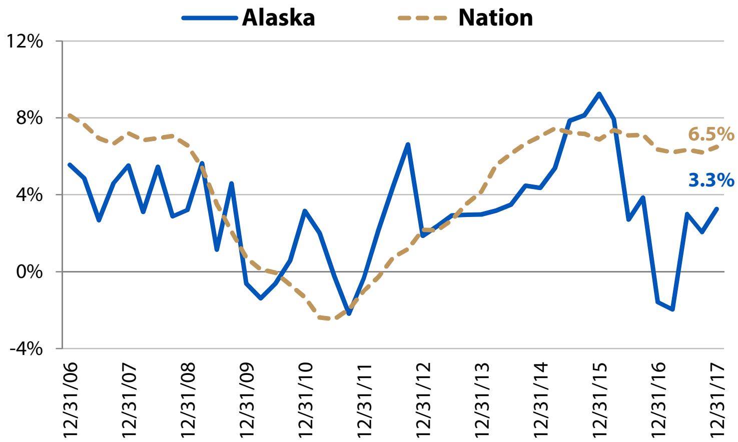
Key Banking Metrics (averages across banks; ranking #1 = highest in the nation)

Year to Date Return on Average Assets: 0.84%
Rank: #23

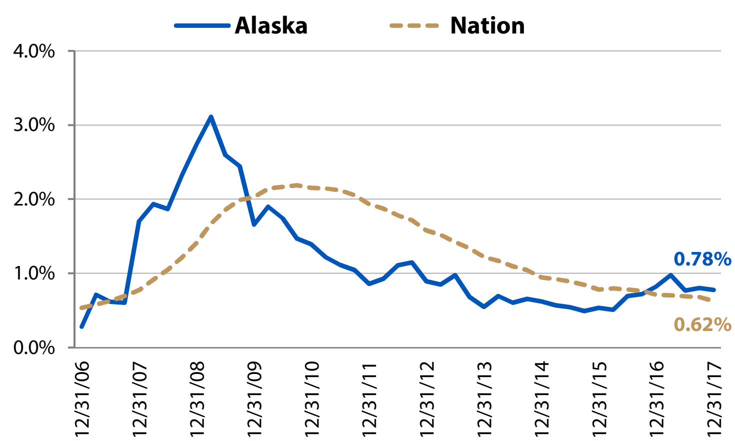


Net income / average assets, adjusted for S-Corps, annualized

Year-over-Year Net Loan Growth: 3.3%
Rank: #49

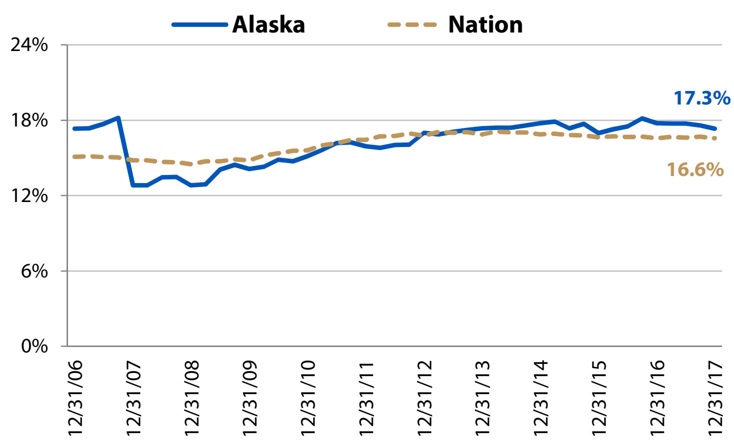


Nonperforming Assets / Total Assets: 0.78%
Rank: #16



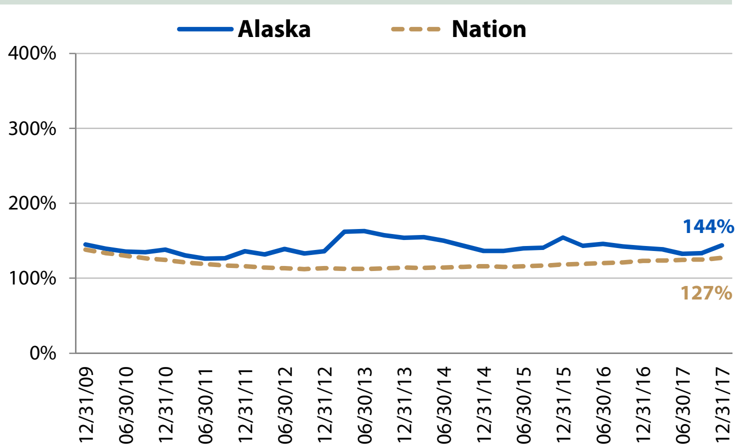
90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 17.3%
Rank: #11



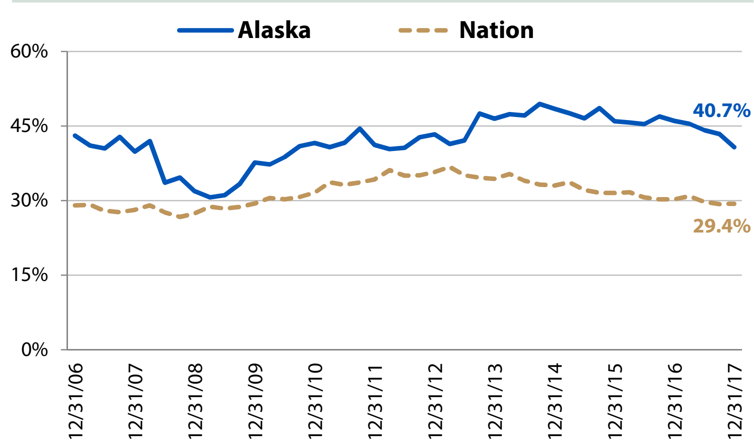
Total capital / risk-weighted assets

CRE Concentration: 144%
Rank: #27



Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 40.7%
Rank: #2



Liquid investments = cash, due from balances, interest bearing bank balances, and Fed funds sold and securities purchased under agreements to resell

Source: Call Report data for commercial banks based upon headquarters location. Averages are calculated on a "trimmed" basis by removing the highest 10% and lowest 10% of ratio values prior to averaging to prevent distortion from outliers. All charts display quarterly data, except for return on average assets which displays the same quarter in each year. Growth rates are not adjusted for mergers. Graphics and data exclude "De Novo" banks (banks less than five years old). As of the latest period, the count of banks included in these statistics were four for the state and 4,882 for the nation.

Banks at a Glance: *Arizona*

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FEDERAL RESERVE BANK OF SAN FRANCISCO

Economic and Banking Highlights

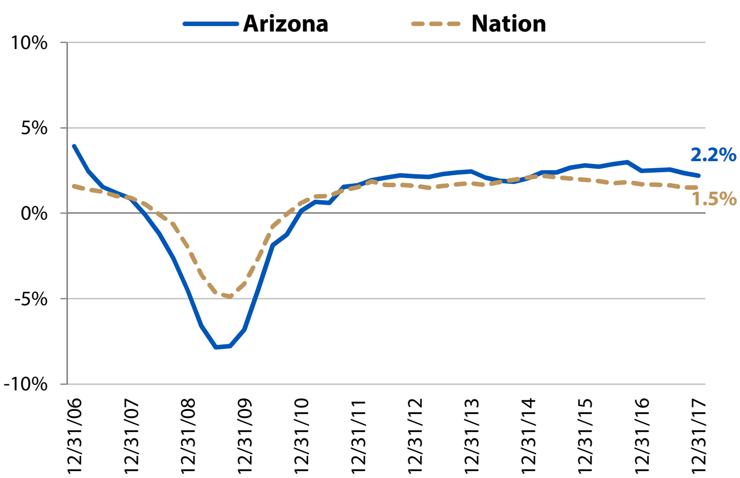
Data as of 12/31/2017

- Arizona's job growth continued to slow in recent quarters, but remained among the highest in the nation. Strength in healthcare and other sectors made up for weaknesses in finance and information technology. Job growth also helped push down the unemployment rate, although it was still ranked ninth highest nationally. With strong in-migration and limited supply of new and existing homes for sale, home prices grew at the nation's tenth highest pace, yet single family permits continued to increase.
- Arizona banks' average return on average assets ratio inched closer to the nation on solid year-over-year loan growth and strong net interest margins that were among the best in the nation. Yet, high noninterest expenses held back returns, with an average efficiency ratio of 75% compared to 66% for the nation. Commercial and industrial loans had the highest growth rate at 12.0%, while real estate loans grew at 7.8%. Commercial real estate loan concentrations saw a commensurate increase in recent quarters, yet capital ratios remained healthy.

Key Economic Metrics (ranking #1 = highest in the nation)

Year-over-Year Job Growth: 2.2%

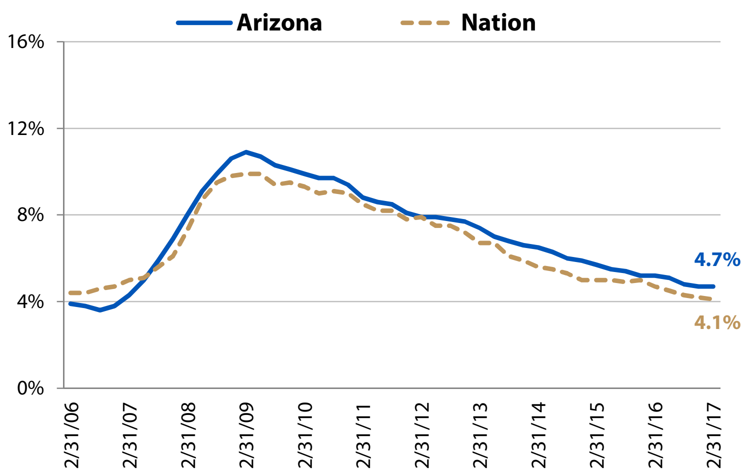
Rank: #6



Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 4.7%

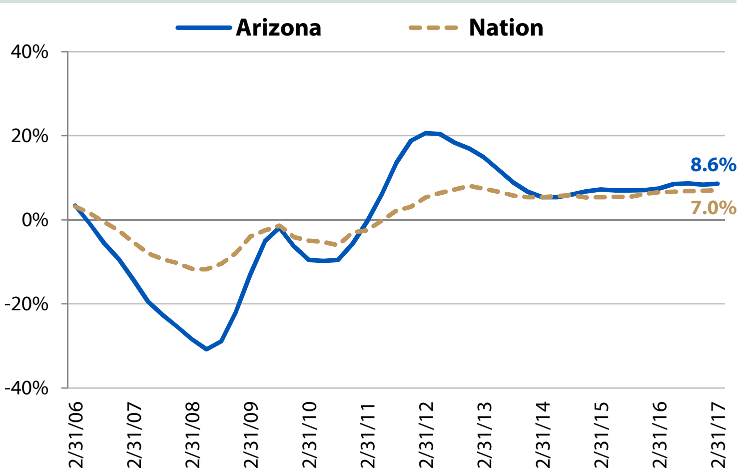
Rank: #9



Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 8.6%

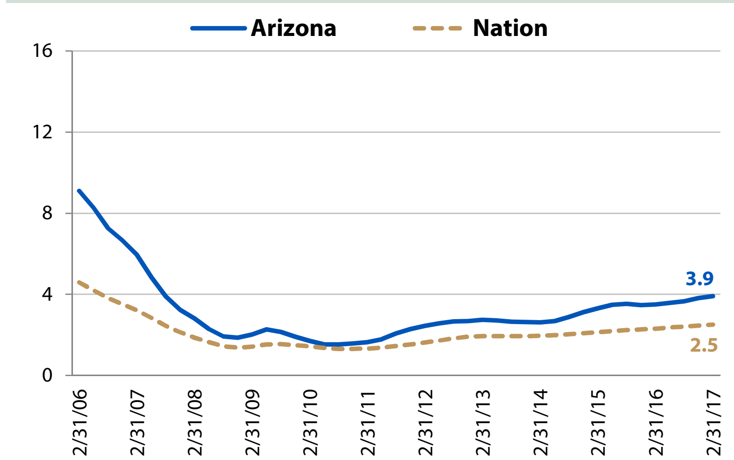
Rank: #10



Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 3.9

Rank: #11



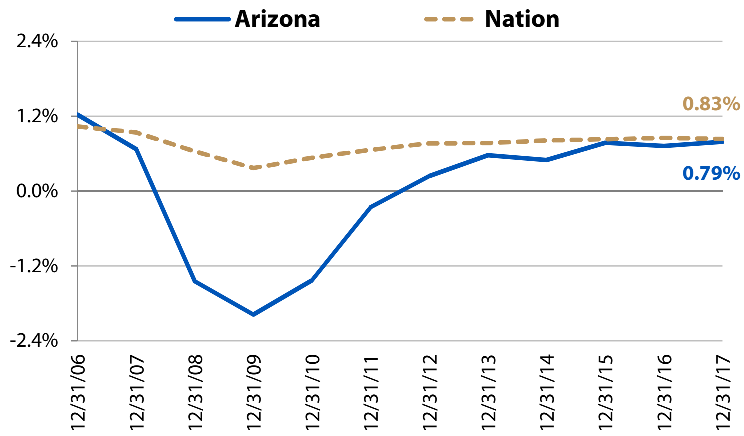
Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

Banks at a Glance: Arizona

Key Banking Metrics (averages across banks; ranking #1 = highest in the nation)

Year to Date Return on Average Assets: 0.79%

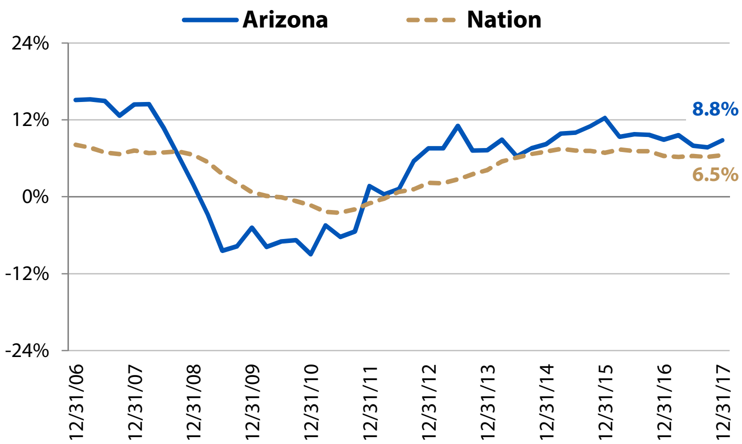
Rank: #32



Net income / average assets, adjusted for S-Corps, annualized

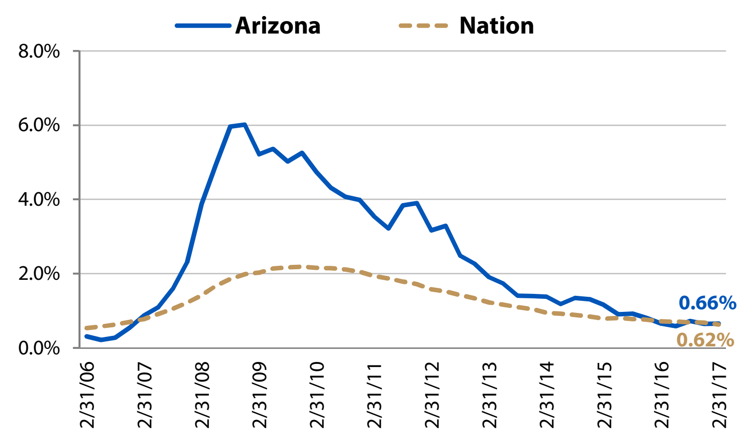
Year-over-Year Net Loan Growth: 8.8%

Rank: #11



Nonperforming Assets / Total Assets: 0.66%

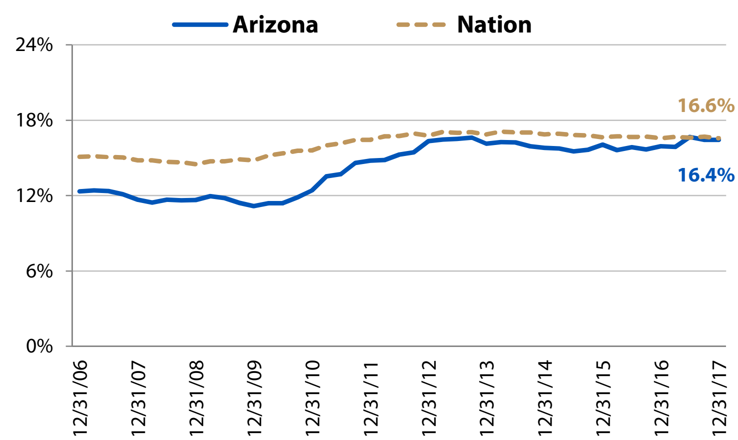
Rank: #21



90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 16.4%

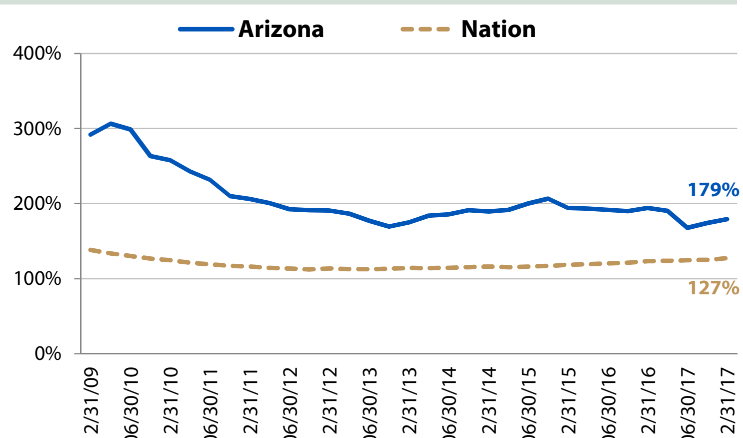
Rank: #21



Total capital / risk-weighted assets

CRE Concentration: 179%

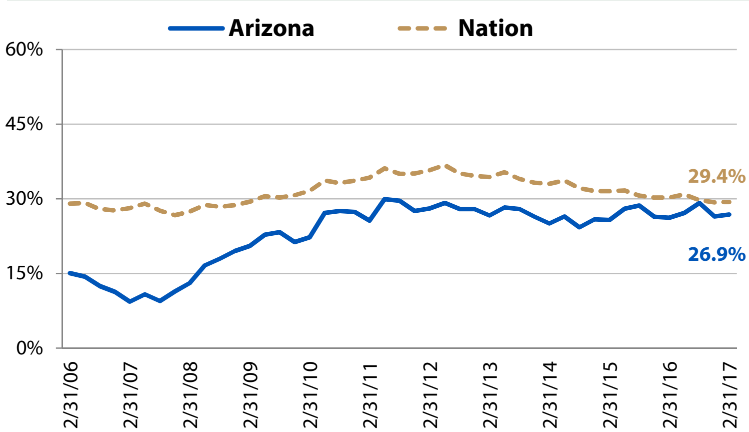
Rank: #15



Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 26.9%

Rank: #30



Liquid investments = cash, due from balances, interest bearing bank balances, and Fed funds sold and securities purchased under agreements to resell

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Banks at a Glance: *California*

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Economic and Banking Highlights

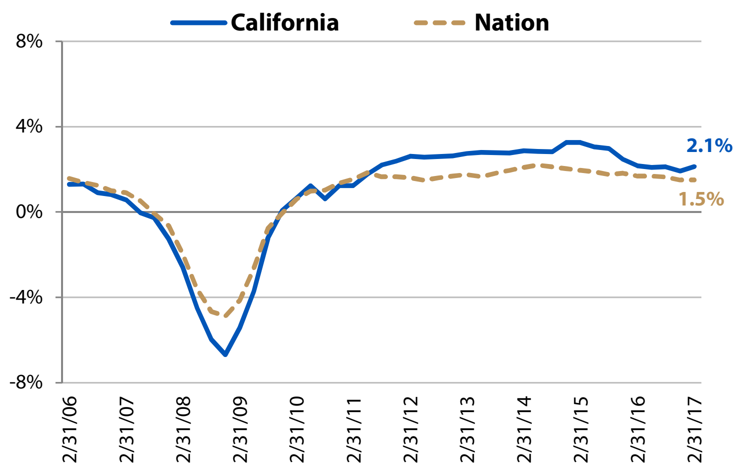
Data as of 12/31/2017

- California's economy continued to grow faster than the national average. Job growth accelerated despite an increasingly tight labor market and unemployment declined to its lowest level in decades. Single family permit activity continued its upward trajectory but remained below the national average due to a variety of supply constraints, which, coupled with strong demand, pushed the pace of home price appreciation higher.
- California banks lent at the fourth highest rate in the nation, putting further downward pressure on capital ratios, though the pace moderated relative to a few years prior. Profitability dipped slightly, as margin expansion was generally offset by one-time tax reform-related deferred tax asset write-downs, which were more prominent in the west due to sharper losses during the financial crisis. At 270%, the state's average commercial real estate concentration was the second highest in the nation, but remained below its 2007 peak of 309%. Nonperforming assets remained low and on-balance sheet liquidity continued trending downward.

Key Economic Metrics (ranking #1 = highest in the nation)

Year-over-Year Job Growth: 2.1%

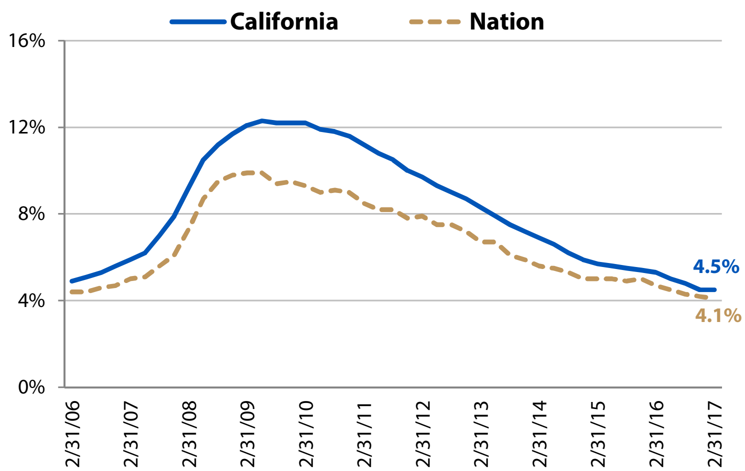
Rank: #8



Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 4.5%

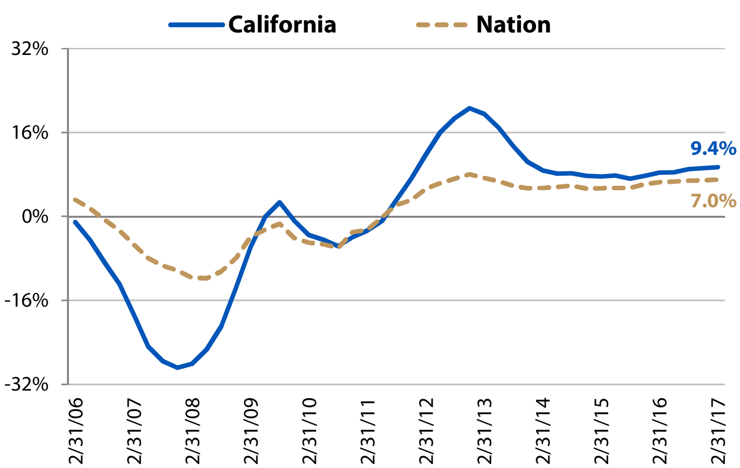
Rank: #15



Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 9.4%

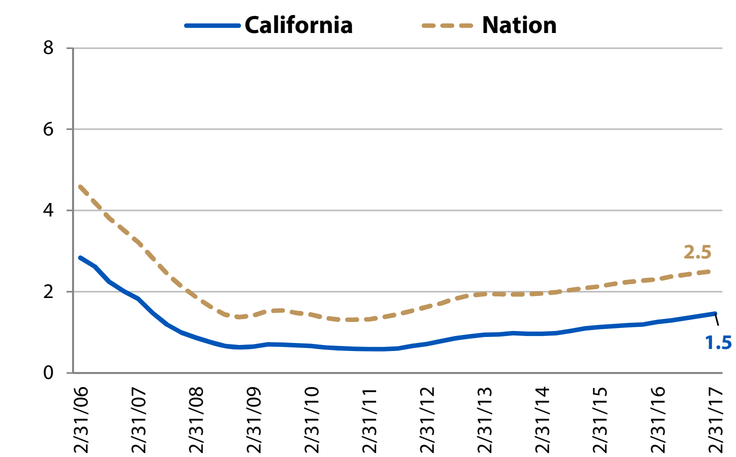
Rank: #7



Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 1.5

Rank: #41



Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

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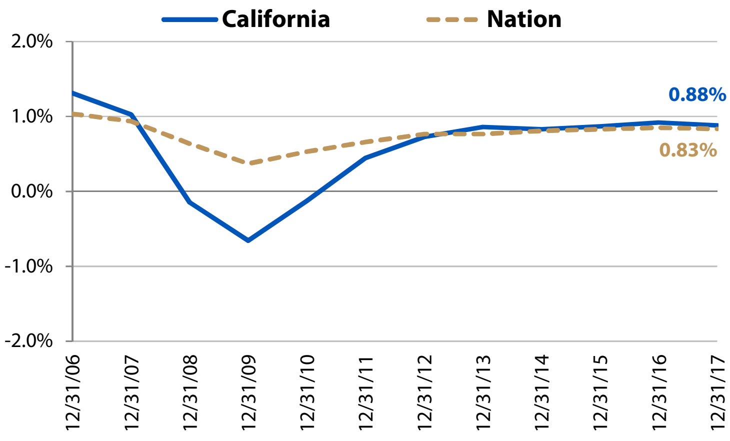
Banks at a Glance: California

Key Banking Metrics (averages across banks; ranking #1 = highest in the nation)

Year to Date Return on Average Assets: 0.88%

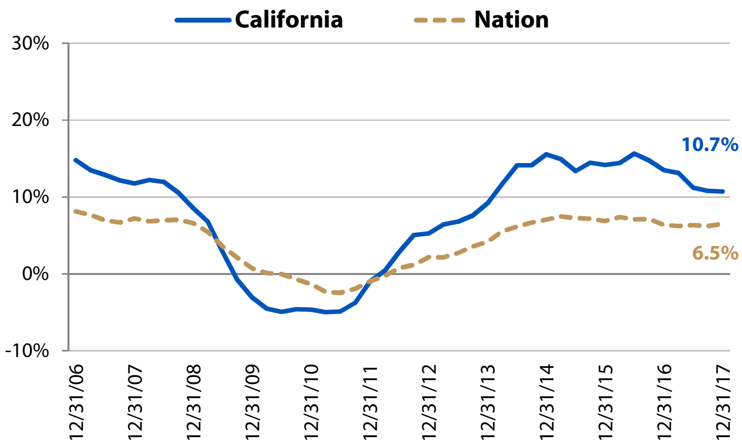
Rank: #14



Net income / average assets, adjusted for S-Corps, annualized

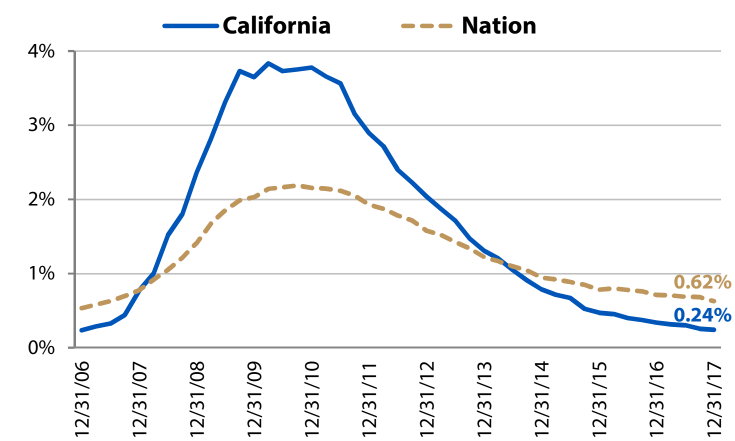
Year-over-Year Net Loan Growth: 10.7%

Rank: #4



Nonperforming Assets / Total Assets: 0.24%

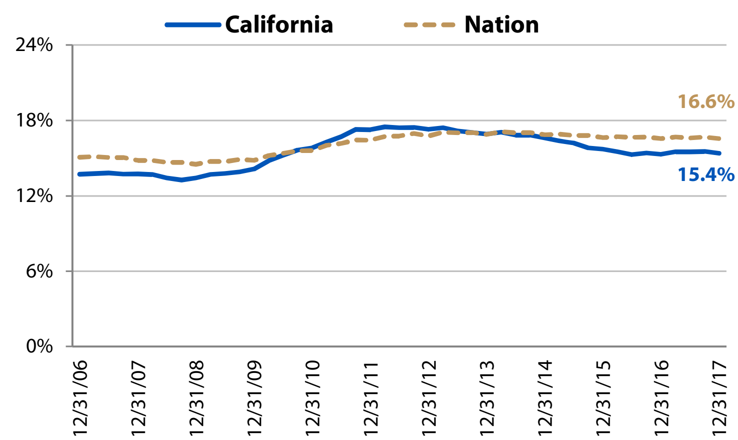
Rank: #49



90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 15.4%

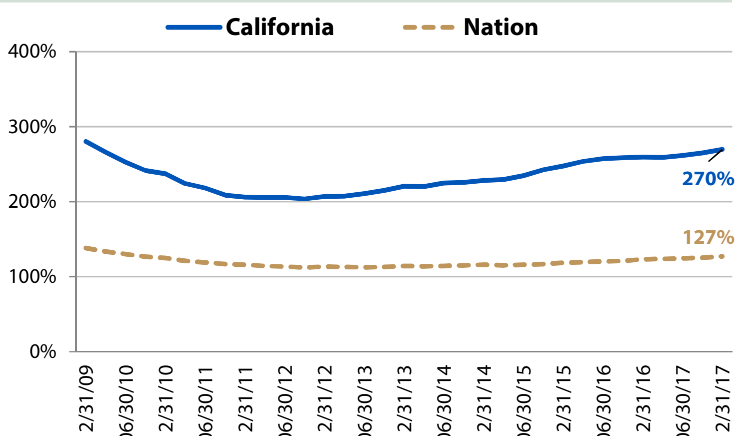
Rank: #35



Total capital / risk-weighted assets

CRE Concentration: 270%

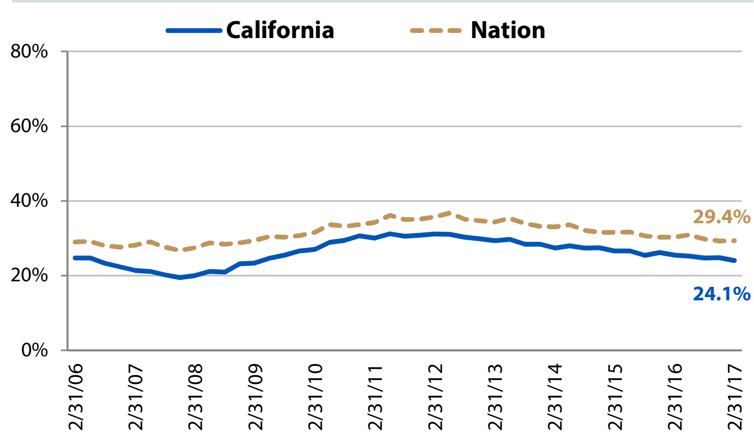
Rank: #2



Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 24.1%

Rank: #37



Liquid investments = cash, due from balances, interest bearing bank balances, and Fed funds sold and securities purchased under agreements to resell

Source: Call Report data for commercial banks based upon headquarters location. Averages are calculated on a "trimmed" basis by removing the highest 10% and lowest 10% of ratio values prior to averaging to prevent distortion from outliers. All charts display quarterly data, except for return on average assets which displays the same quarter in each year. Growth rates are not adjusted for mergers. Graphics and data exclude "De Novo" banks (banks less than five years old). As of the latest period, the count of banks included in these statistics were 152 for the state and 4,882 for the nation.

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Banks at a Glance: Hawaii

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FEDERAL RESERVE BANK OF SAN FRANCISCO

Economic and Banking Highlights

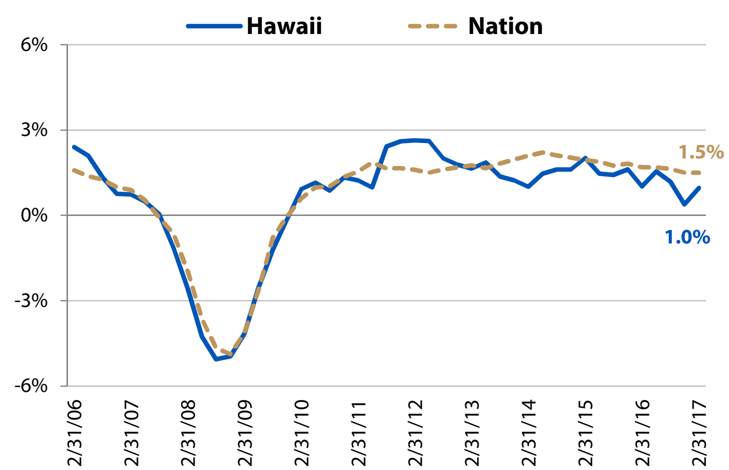
Data as of 12/31/2017

- Hawaii's economy remained resilient while facing labor constrains. The labor force had little room for expansion, and migration outflows grew in 2017, causing the unemployment rate to fall to the lowest in the country. Rising wages drove the demand for housing and propelled home price growth, but the low permit activity continued to strain affordability.
- Overall, Hawaii's commercial banks performed relatively on par with the nation in 2017 in terms of average profitability and loan growth. The average return on average assets ratio fell due to one-time tax reform-related deferred tax asset write-downs and a larger year-over-year provision expense. The average nonperforming assets ratio remained the lowest in the nation, having fully recovered from the crisis, and was also the lowest level that Hawaii has seen in at least 25 years. The average share of assets held in securities and liquid investments continued to trend lower as loan growth outpaced total asset growth.

Key Economic Metrics (ranking #1 = highest in the nation)

Year-over-Year Job Growth: 1.0%

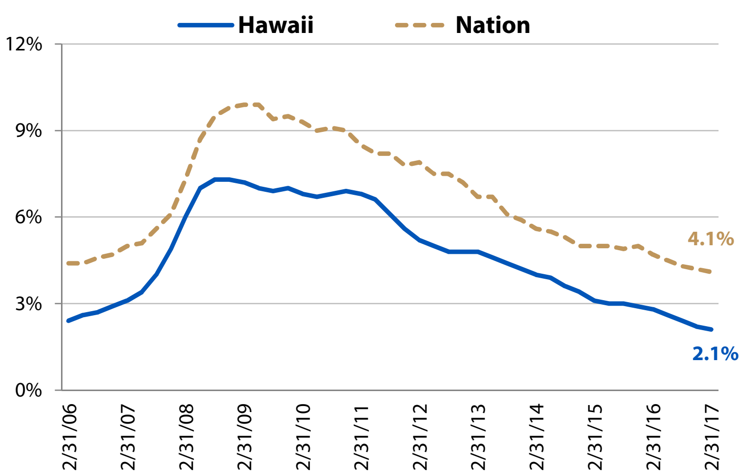
Rank: #27



Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 2.1%

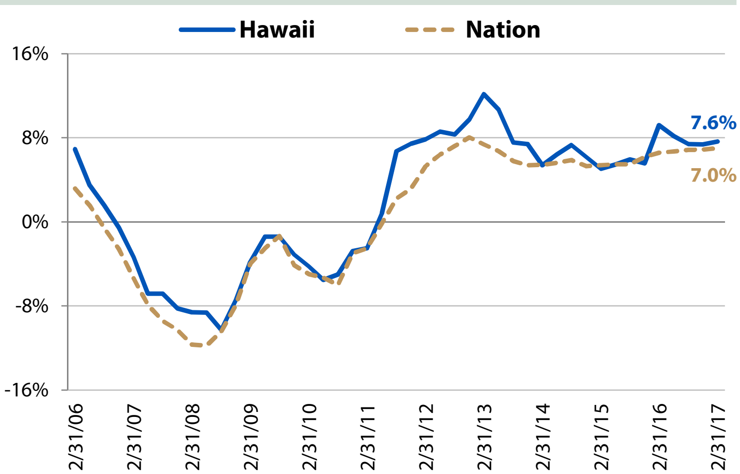
Rank: #50



Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 7.6%

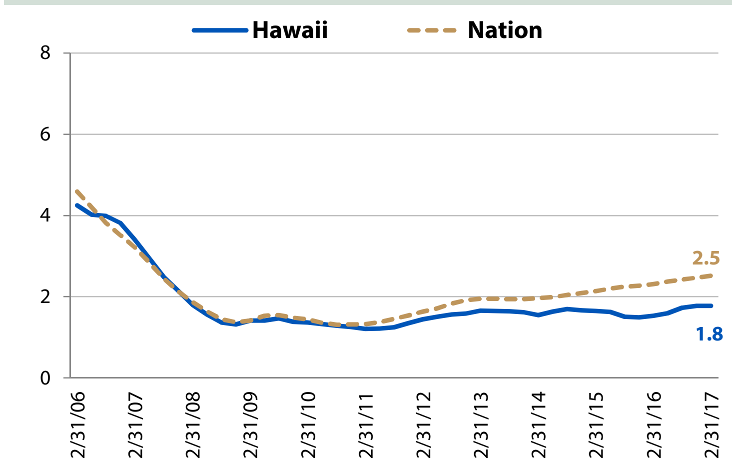
Rank: #15



Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 1.8

Rank: #38

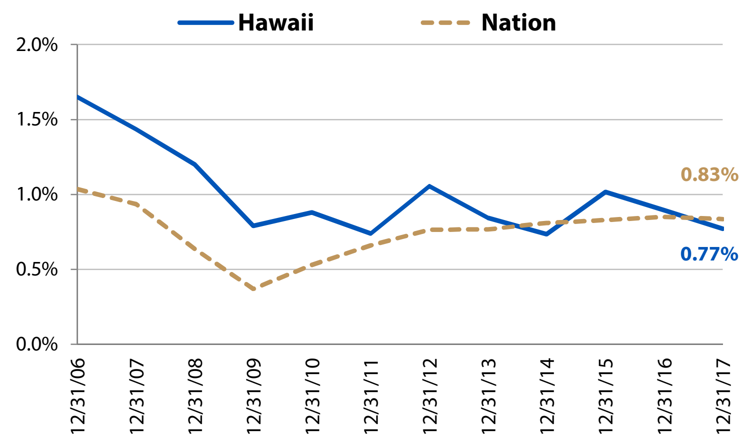


Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

Key Banking Metrics (averages across banks; ranking #1 = highest in the nation)

Year to Date Return on Average Assets: 0.77%

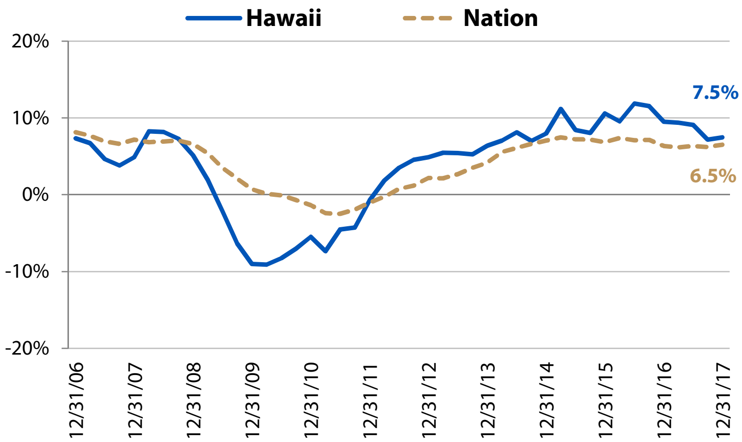
Rank: #37



Net income / average assets, adjusted for S-Corps, annualized

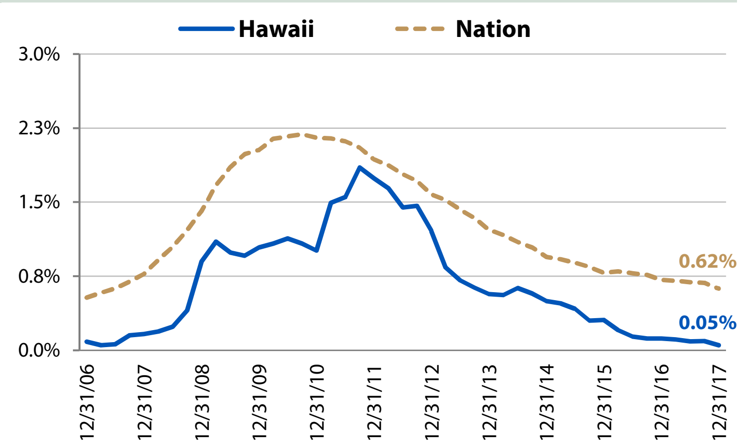
Year-over-Year Net Loan Growth: 7.5%

Rank: #17



Nonperforming Assets / Total Assets: 0.05%

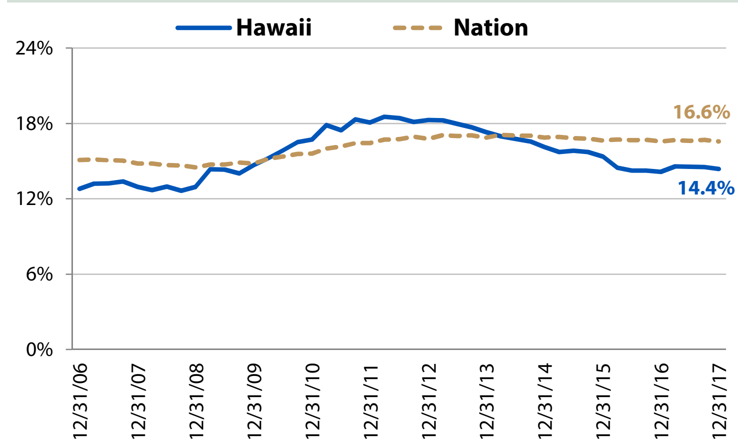
Rank: #50



90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 14.4%

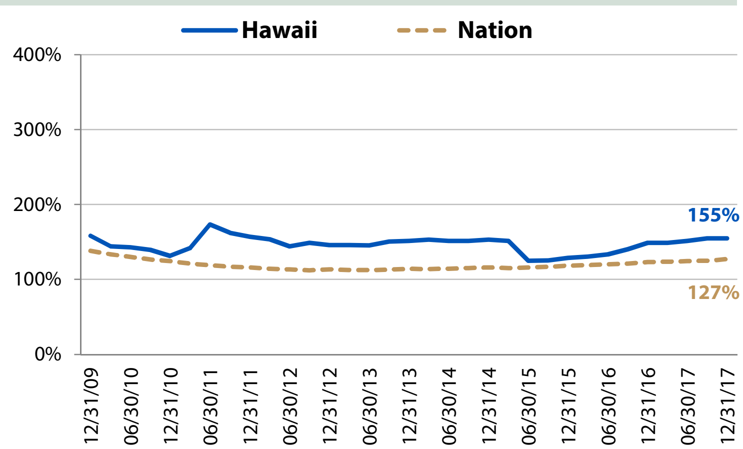
Rank: #42



Total capital / risk-weighted assets

CRE Concentration: 155%

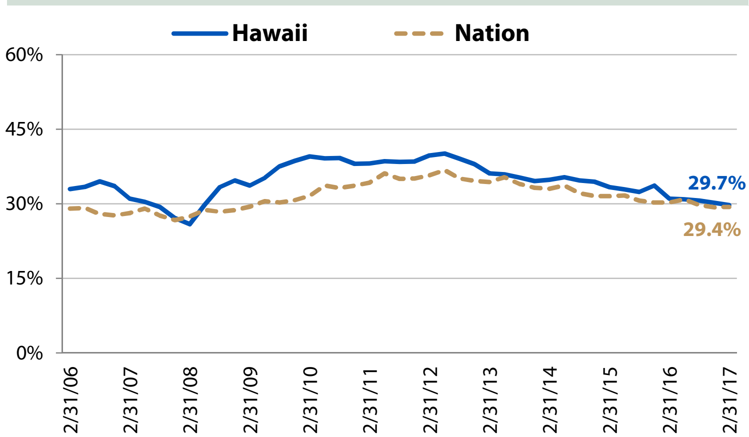
Rank: #23



Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 29.7%

Rank: #17



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Banks at a Glance:
Idaho

Economic and Banking Highlights

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FEDERAL RESERVE BANK OF SAN FRANCISCO

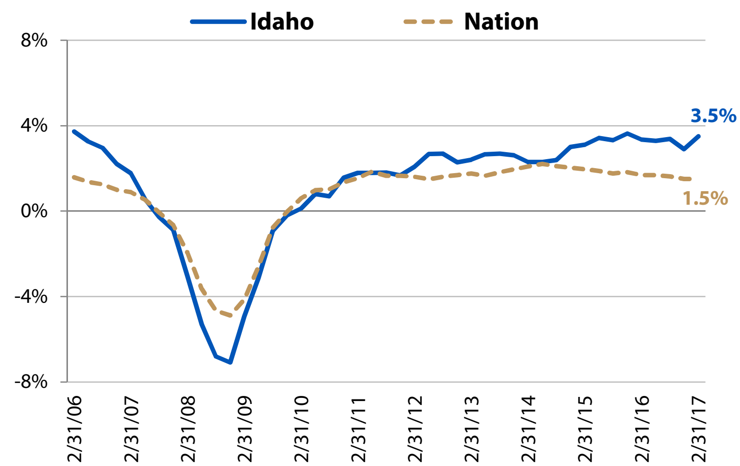
Data as of 12/31/2017

- Idaho's economy continued to expand at a brisk pace. Despite an increasingly tight labor market, the state added jobs at the fastest rate in the nation, and its unemployment rate fell to just 3.0%. Idaho continued to issue the most single family permits relative to population, and in the face of strong demand, home price appreciation continued to rank among the top nationwide.
- Consistent with the state's economic performance, Idaho banks boasted the third highest average loan growth rate in the country. However, average bank earnings declined in 2017, in part due to one-time tax reform-related write-downs of deferred tax assets, many of which originated from Idaho banks' above-average losses during the financial crisis. Both strong growth and lower earnings contributed to a noticeable decline in the state's average total risk-based capital ratio over the past two years. However, nonperforming assets remained at historically low levels and on-balance sheet liquidity ticked up.

Key Economic Metrics (ranking #1 = highest in the nation)

Year-over-Year Job Growth: 3.5%

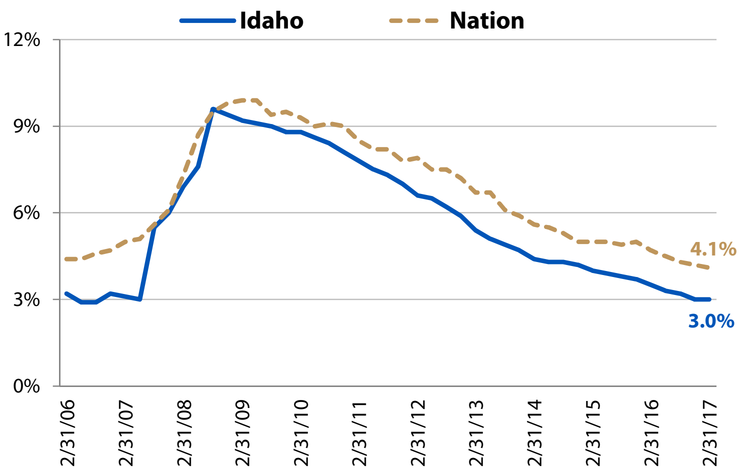
Rank: #1



Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 3.0%

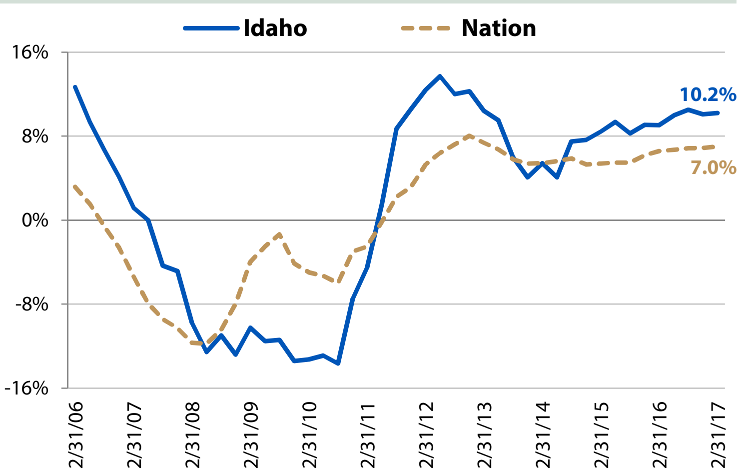
Rank: #43



Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 10.2%

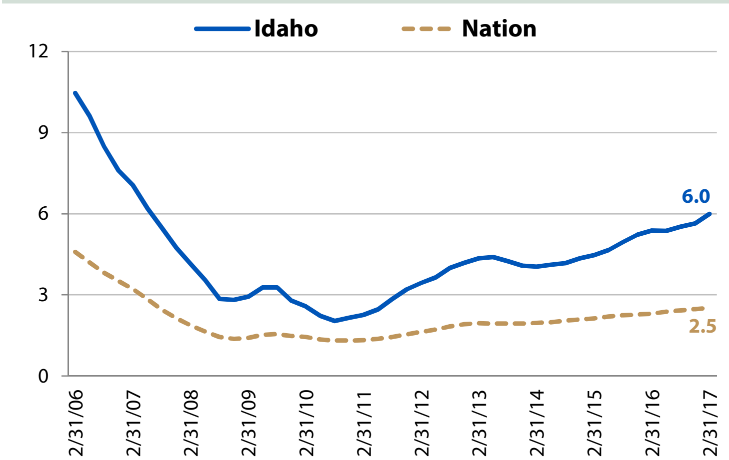
Rank: #4



Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 6.0

Rank: #1



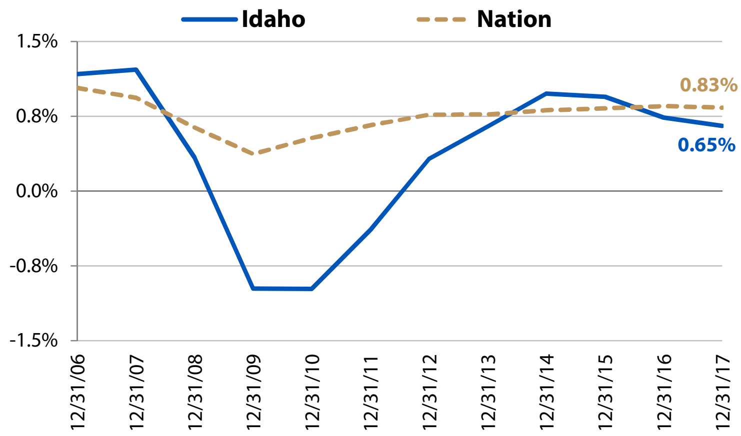
Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

Banks at a Glance: Idaho

Key Banking Metrics (averages across banks; ranking #1 = highest in the nation)

Year to Date Return on Average Assets: 0.65%

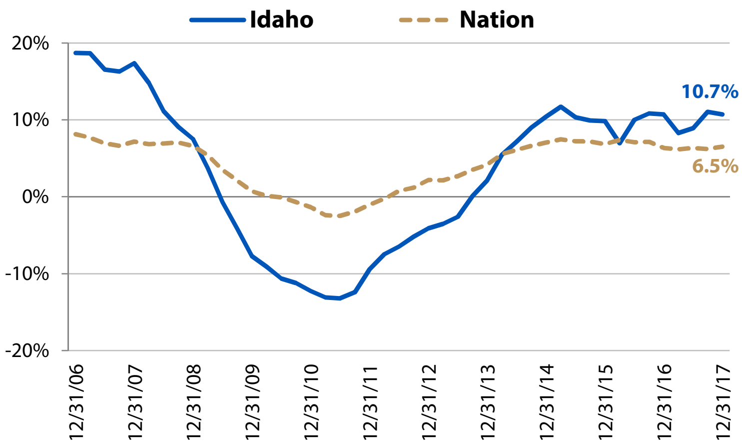
Rank: #45



Net income / average assets, adjusted for S-Corps, annualized

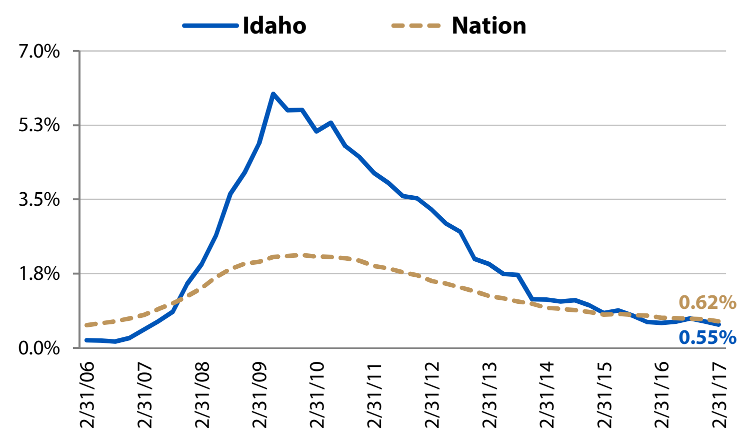
Year-over-Year Net Loan Growth: 10.7%

Rank: #3



Nonperforming Assets / Total Assets: 0.55%

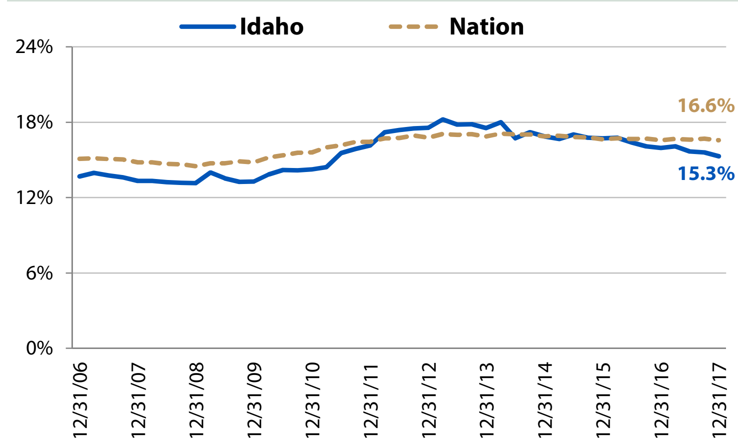
Rank: #34



90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 15.3%

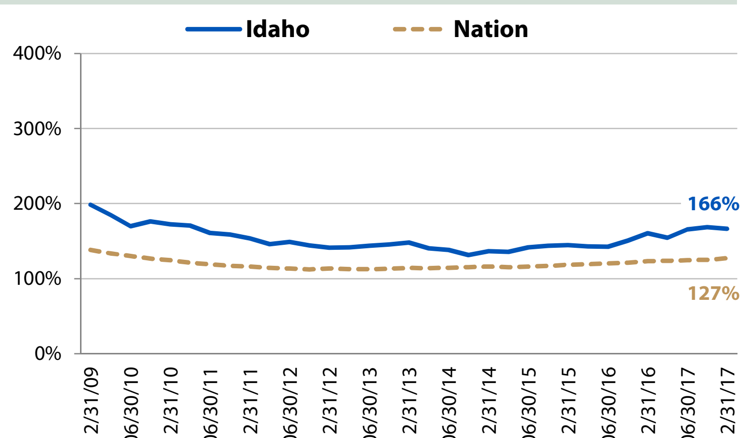
Rank: #36



Total capital / risk-weighted assets

CRE Concentration: 166%

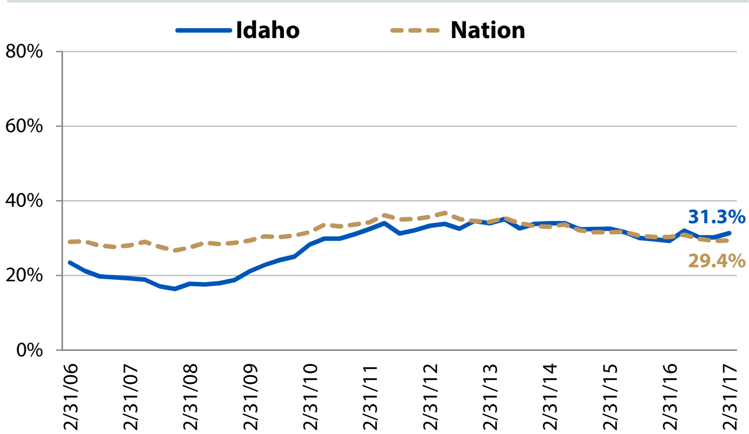
Rank: #18



Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 31.3%

Rank: #10



Liquid investments = cash, due from balances, interest bearing bank balances, and Fed funds sold and securities purchased under agreements to resell

Source: Call Report data for commercial banks based upon headquarters location. Averages are calculated on a "trimmed" basis by removing the highest 10% and lowest 10% of ratio values prior to averaging to prevent distortion from outliers. All charts display quarterly data, except for return on average assets which displays the same quarter in each year. Growth rates are not adjusted for mergers. Graphics and data exclude "De Novo" banks (banks less than five years old). As of the latest period, the count of banks included in these statistics were 12 for the state and 4,882 for the nation.

For this and other publications, see: https://www.frbsf.org/banking/publications

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Banks at a Glance: Nevada

Financial Institution Supervision and Credit
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FEDERAL RESERVE BANK OF SAN FRANCISCO

Economic and Banking Highlights

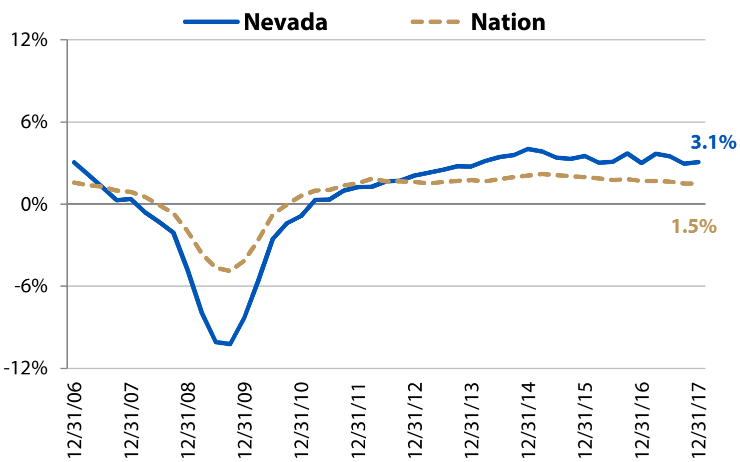
Data as of 12/31/2017

- Nevada continued to be among the nation's leaders in several economic measures. Job growth was the broadest based in 20 years, with healthcare, professional services, and manufacturing picking up for a slowdown in leisure and hospitality. Single family permits continued rising steadily, spurred by strong in-migration levels, but permitting remained well below pre-crisis levels. Home price gains topped the nation, up 12.1% year-over-year.
- Nevada banks had the highest average return on average assets ratio in the nation in 2017. Healthy net interest margins, lower personnel cost relative to assets, and negative provision expenses boosted the average return on average assets. Despite strong economic fundamentals, average loan growth was relatively weak, as the majority of Nevada's commercial banks reduced their rate of loan growth from a year-earlier. Securities and liquid investments to total assets surged due to slack loan growth.

Key Economic Metrics (ranking #1 = highest in the nation)

Year-over-Year Job Growth: 3.1%

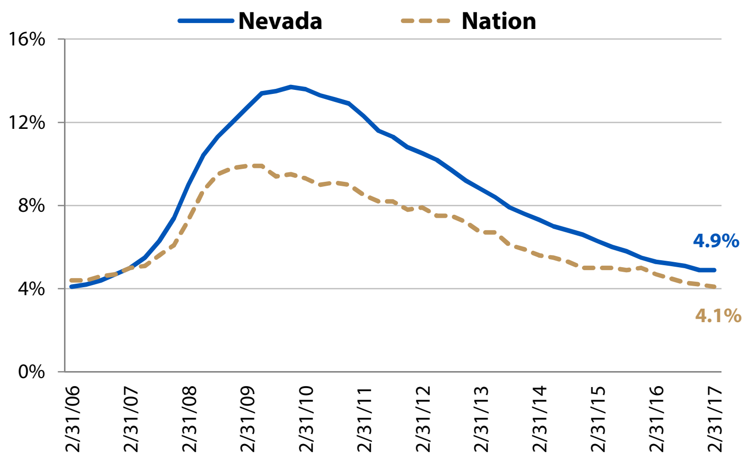
Rank: #2



Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 4.9%

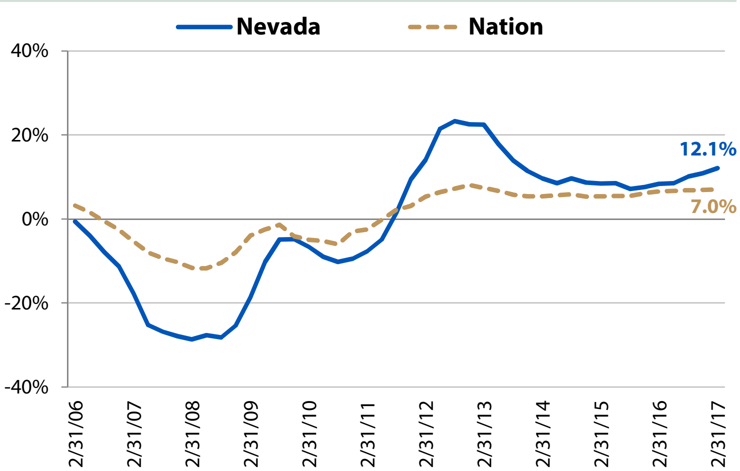
Rank: #4



Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 12.1%

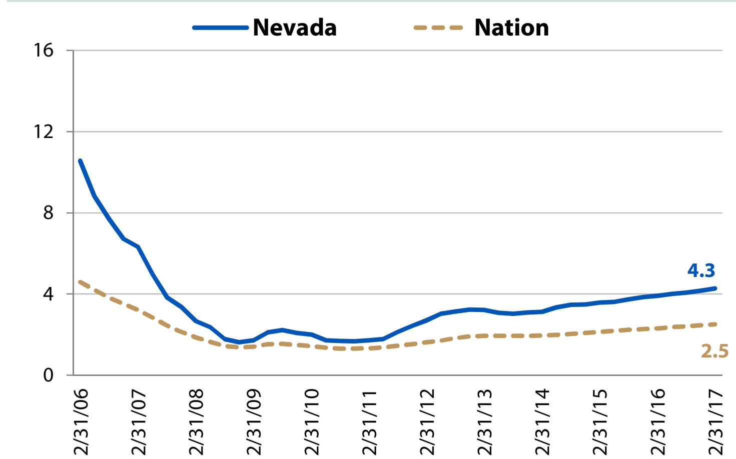
Rank: #1



Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 4.3

Rank: #7



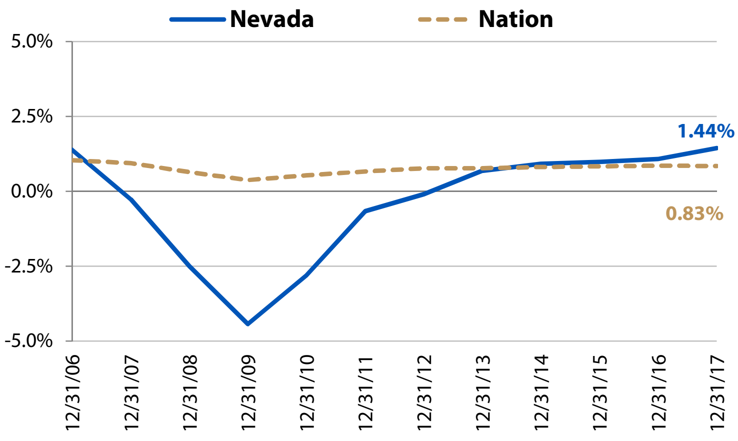
Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

Banks at a Glance: Nevada

Key Banking Metrics (averages across banks; ranking #1 = highest in the nation)

Year to Date Return on Average Assets: 1.44%

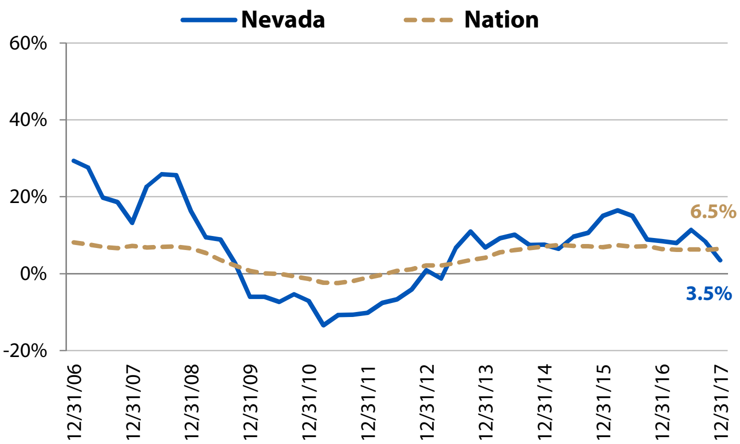
Rank: #1



Net income / average assets, adjusted for S-Corps, annualized

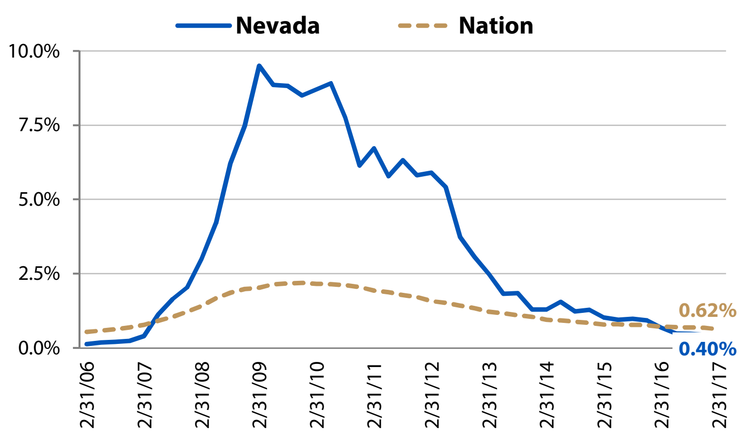
Year-over-Year Net Loan Growth: 3.5%

Rank: #48



Nonperforming Assets / Total Assets: 0.40%

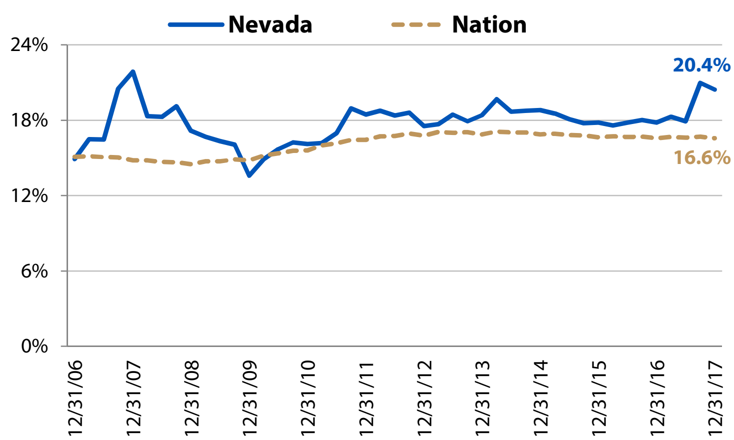
Rank: #43



90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 20.4%

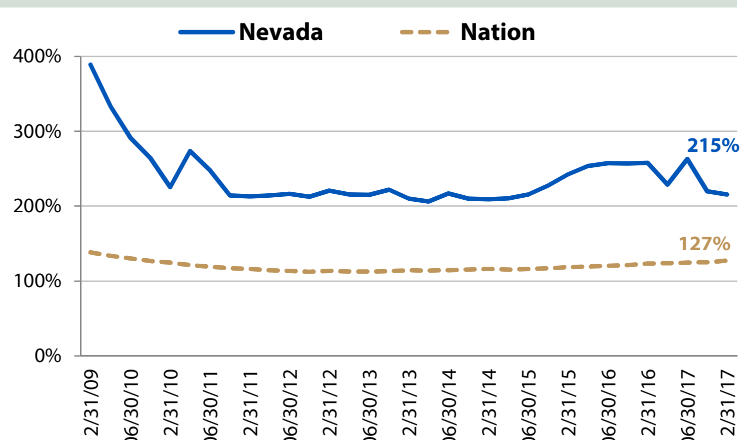
Rank: #2



Total capital / risk-weighted assets

CRE Concentration: 215%

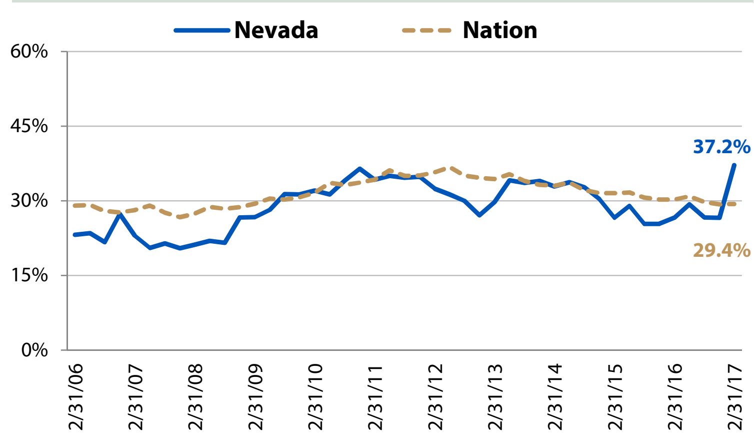
Rank: #9



Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 37.2%

Rank: #6



Liquid investments = cash, due from balances, interest bearing bank balances, and Fed funds sold and securities purchased under agreements to resell

Source: Call Report data for commercial banks based upon headquarters location. Averages are calculated on a "trimmed" basis by removing the highest 10% and lowest 10% of ratio values prior to averaging to prevent distortion from outliers. All charts display quarterly data, except for return on average assets which displays the same quarter in each year. Growth rates are not adjusted for mergers. Graphics and data exclude "De Novo" banks (banks less than five years old), credit card banks, and zero loan banks. As of the latest period, the count of banks included in these statistics were 10 for the state and 4,882 for the nation.

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Banks at a Glance: Oregon

Economic and Banking Highlights

Financial Institution Supervision and Credit
sf.fisc.publications@sf.frb.org

FEDERAL RESERVE BANK OF SAN FRANCISCO

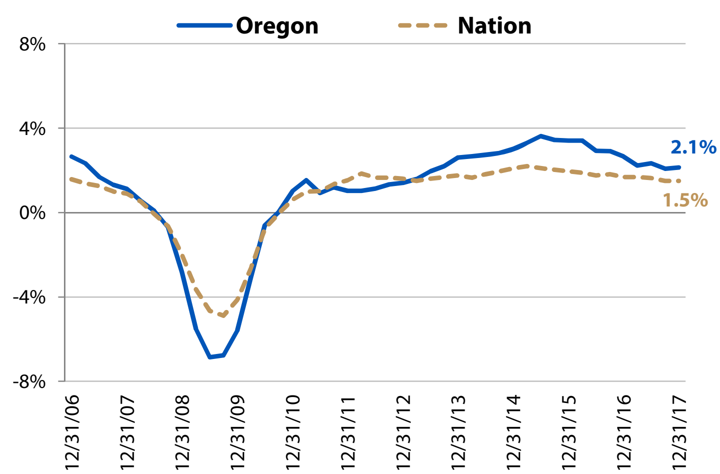
Data as of 12/31/2017

- Oregon's economy continued growing through 2017, although at a slower pace than 2016. Unemployment crept up as labor force growth outpaced job growth. The strong tech sector continued to attract entrepreneurs and job seekers, providing opportunities for investments and growth. The pace of home price appreciation eased off of recent levels, but remained healthy. The rate of single family permitting was flat as builders struggled to increase construction amidst rising materials and labor costs.
- Oregon's banks performed well in 2017. Average loan growth remained healthy and above the national levels. The average return on average assets ratio was slightly below the nation, yet the average nonperforming assets ratio ranked among the best nationally. Total risk-based capital ratios improved, but remained below the national average, with risk-weighted assets continuing to be relatively high compared to total assets. The average share of assets held in securities and liquid investments was relatively unchanged year-over-year, and trailed national levels.

Key Economic Metrics (ranking #1 = highest in the nation)

Year-over-Year Job Growth: 2.1%

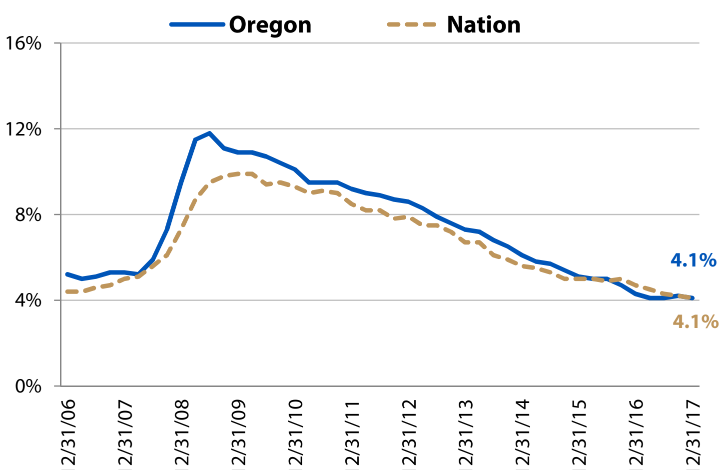
Rank: #7



Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 4.1%

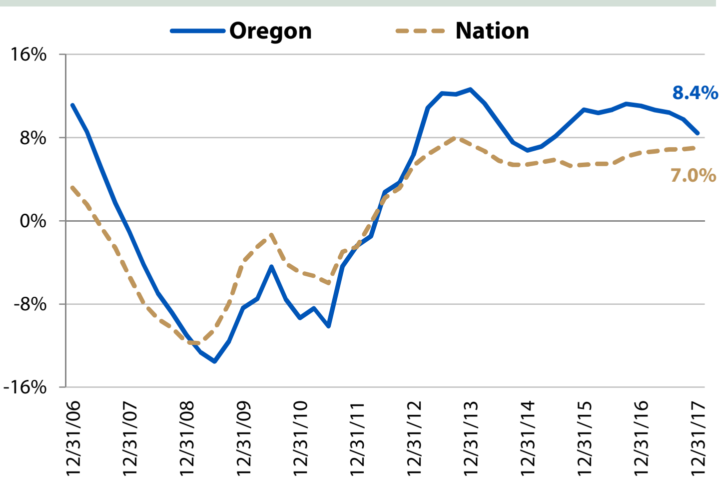
Rank: #23



Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 8.4%

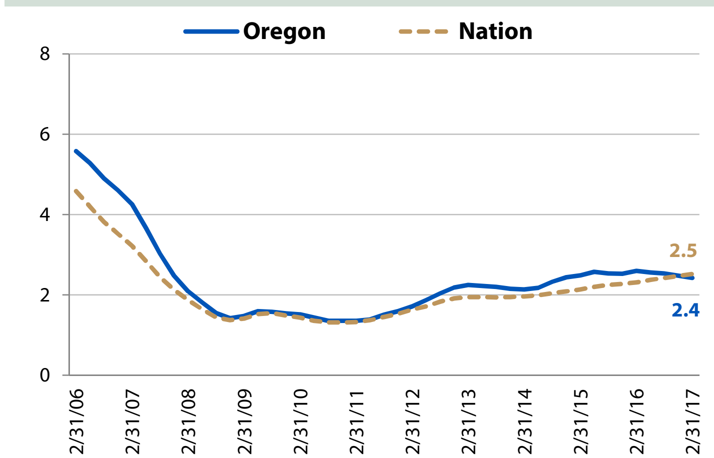
Rank: #11



Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 2.4

Rank: #26



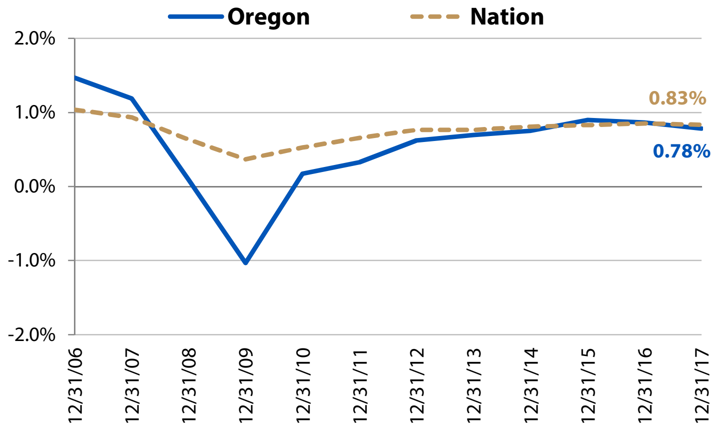
Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

Banks at a Glance: Oregon

Key Banking Metrics (averages across banks; ranking #1 = highest in the nation)

Year to Date Return on Average Assets: 0.78%

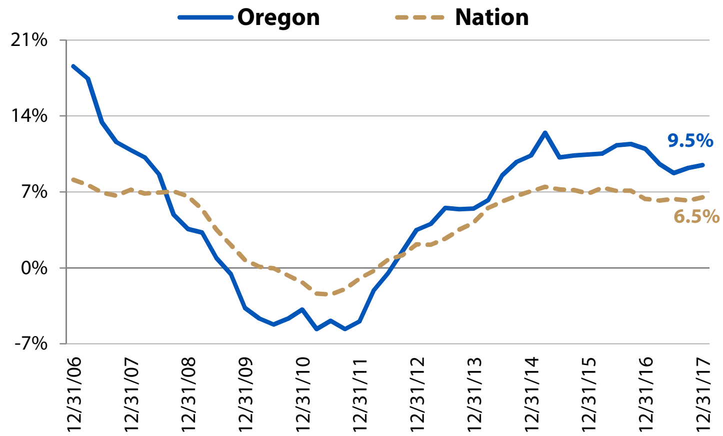
Rank: #34



Net income / average assets, adjusted for S-Corps, annualized

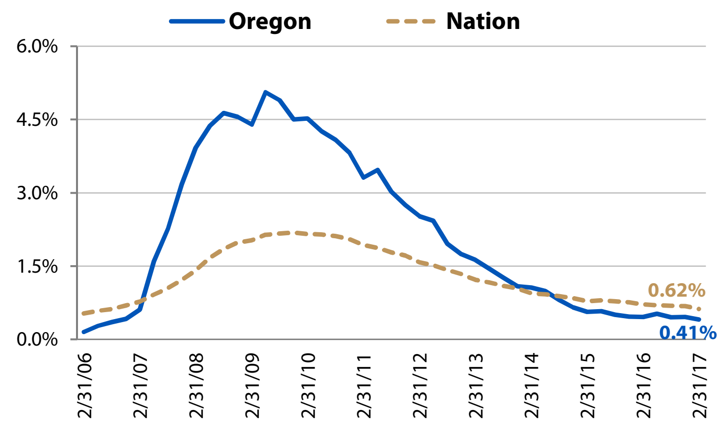
Year-over-Year Net Loan Growth: 9.5%

Rank: #8



Nonperforming Assets / Total Assets: 0.41%

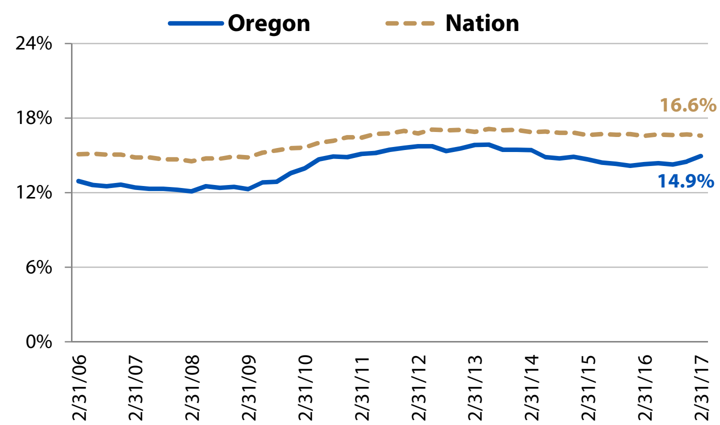
Rank: #42



90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 14.9%

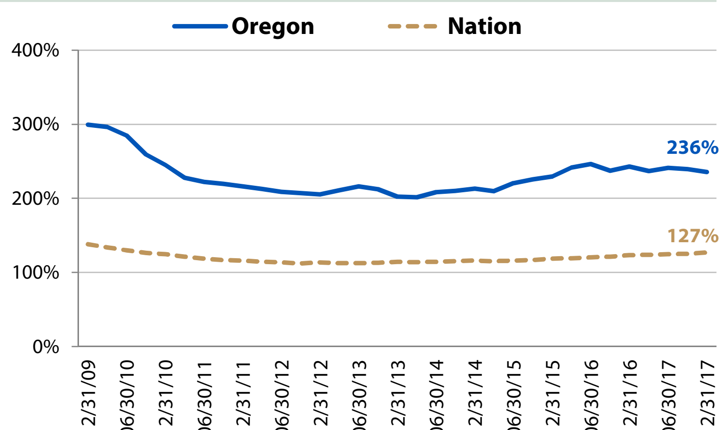
Rank: #37



Total capital / risk-weighted assets

CRE Concentration: 236%

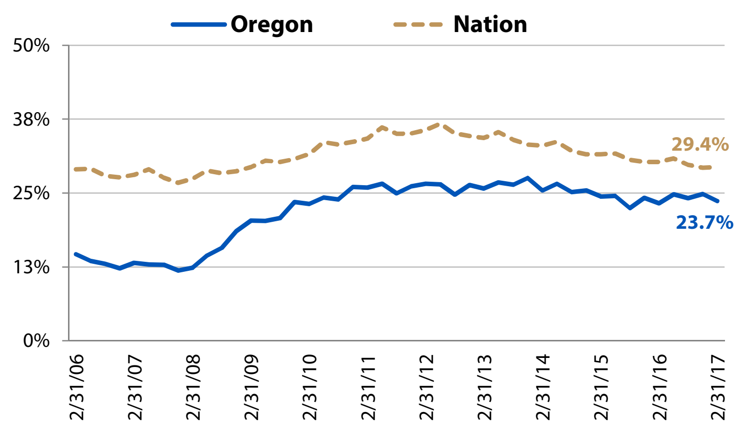
Rank: #5



Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 23.7%

Rank: #40



Liquid investments = cash, due from balances, interest bearing bank balances, and Fed funds sold and securities purchased under agreements to resell

Source: Call Report data for commercial banks based upon headquarters location. Averages are calculated on a "trimmed" basis by removing the highest 10% and lowest 10% of ratio values prior to averaging to prevent distortion from outliers. All charts display quarterly data, except for return on average assets which displays the same quarter in each year. Growth rates are not adjusted for mergers. Graphics and data exclude "De Novo" banks (banks less than five years old). As of the latest period, the count of banks included in these statistics were 17 for the state and 4,882 for the nation.

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Banks at a Glance: Utah

Economic and Banking Highlights

Financial Institution Supervision and Credit
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FEDERAL RESERVE BANK OF SAN FRANCISCO

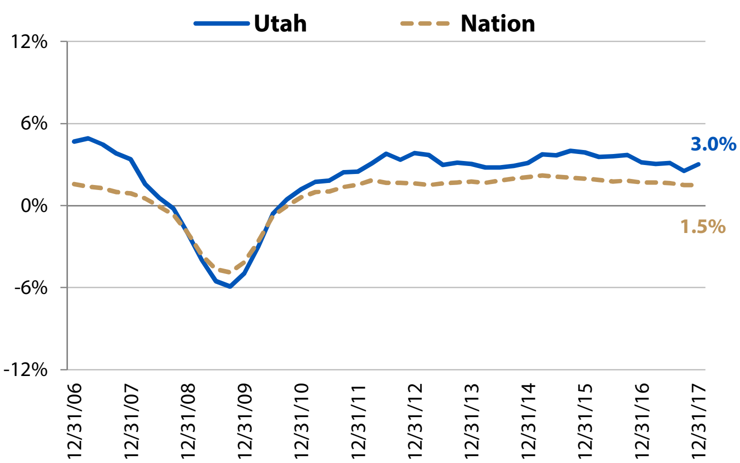
Data as of 12/31/2017

- The Utah economy was again one of the nation's strongest. Job growth was twice the national average, led by the high tech and finance sectors, which helped the unemployment rate fall to 3.2%, 90 basis points under the nation. Home prices were up 10.8% year-over-year, third fastest in the nation. On a per capita basis, single-family permit activity was also a national leader, although it remained below pre-crisis levels.
- With a strong economy, Utah's commercial banks were among the nation's best performers. The average return on average assets ratio continued trending upward, propelled by higher net interest income and lower noninterest expense ratios. Year-over-year loan growth ranked highest in the nation, driven by growth in non-owner occupied commercial real estate and commercial & industrial loans. Capital ratios remained healthy despite the strong loan growth; however, on-balance sheet liquidity tightened as the asset mix shifted towards loans and away from securities and liquid investments.

Key Economic Metrics (ranking #1 = highest in the nation)

Year-over-Year Job Growth: 3.0%

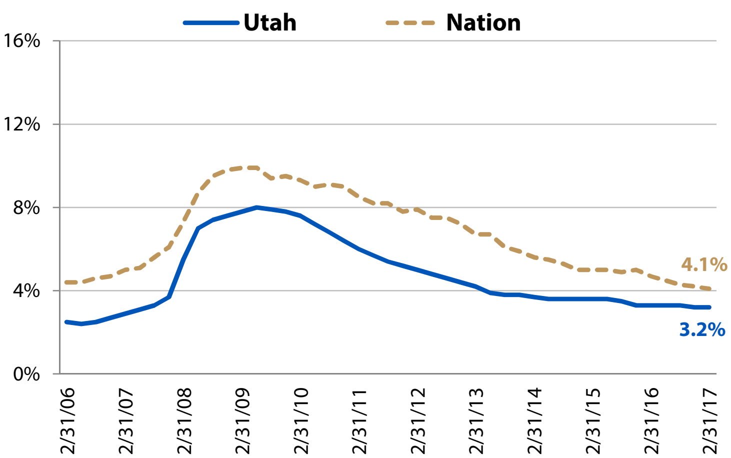
Rank: #3



Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 3.2%

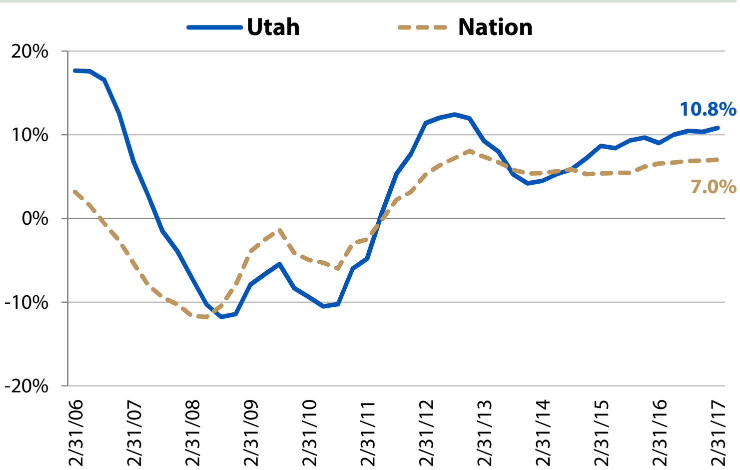
Rank: #40



Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 10.8%

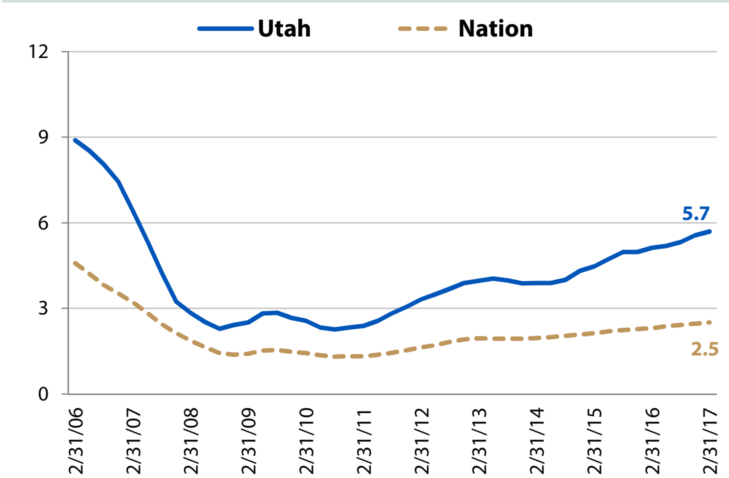
Rank: #3



Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 5.7

Rank: #2



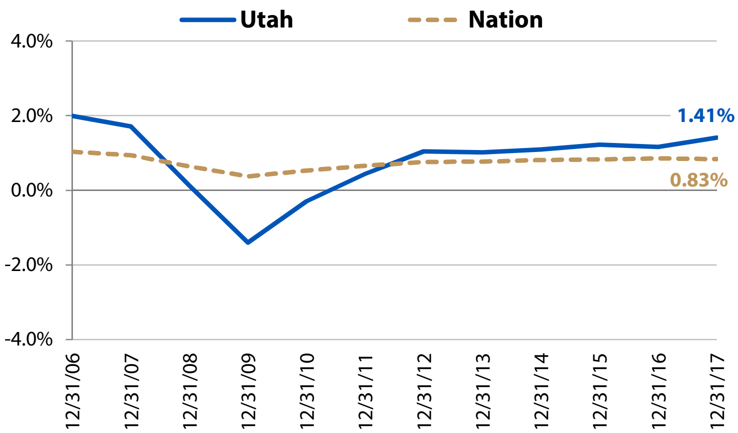
Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

Banks at a Glance: Utah

Key Banking Metrics (averages across banks; ranking #1 = highest in the nation)

Year to Date Return on Average Assets: 1.41%

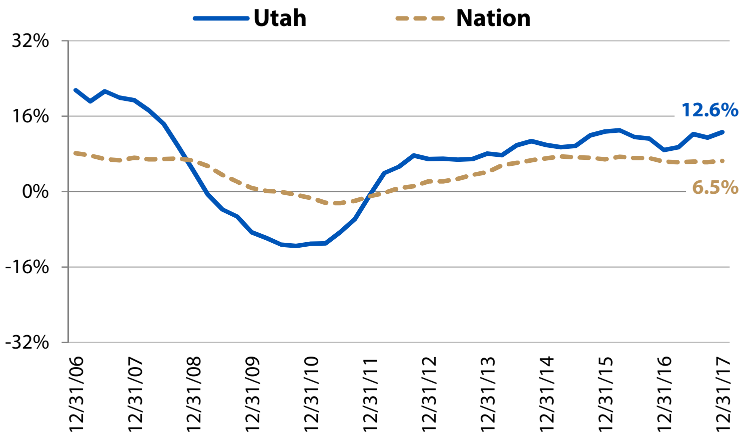
Rank: #2



Net income / average assets, adjusted for S-Corps, annualized

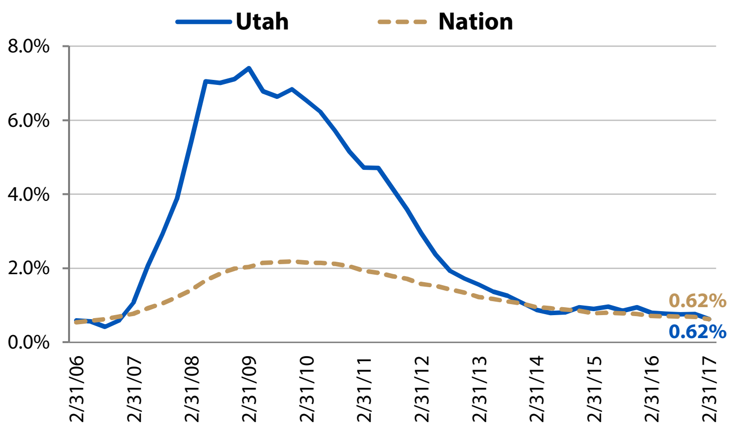
Year-over-Year Net Loan Growth: 12.6%

Rank: #1



Nonperforming Assets / Total Assets: 0.62%

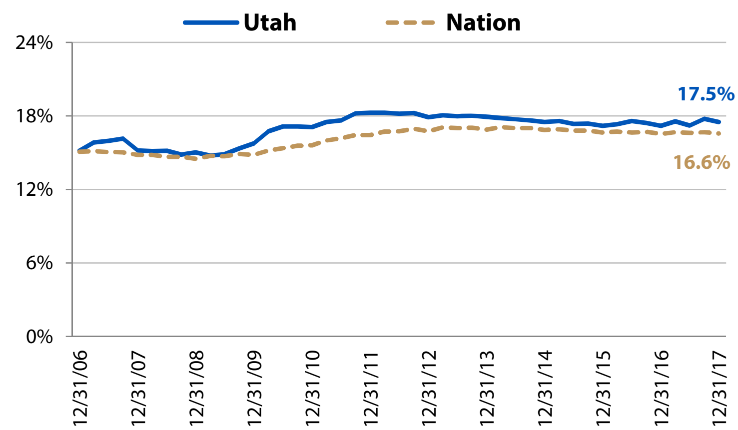
Rank: #26



90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 17.5%

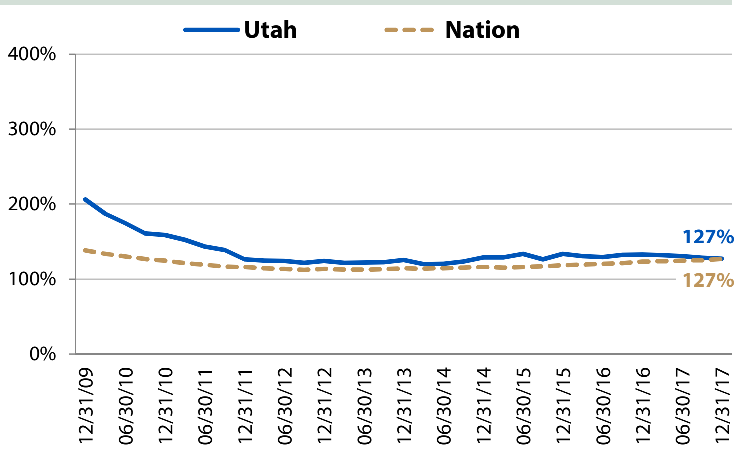
Rank: #10



Total capital / risk-weighted assets

CRE Concentration: 127%

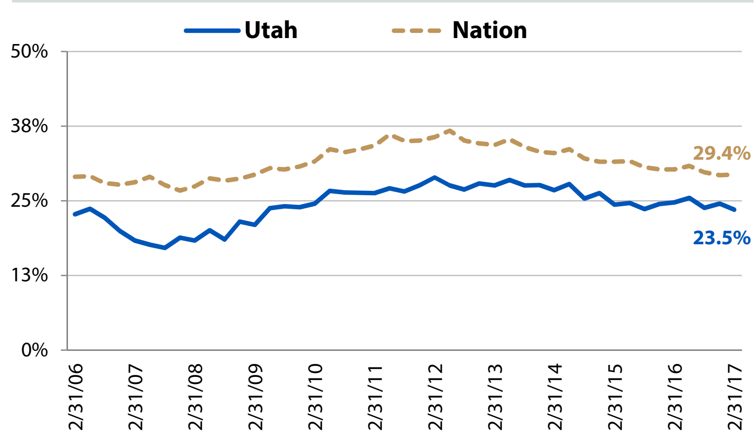
Rank: #33



Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 23.5%

Rank: #41



Liquid investments = cash, due from balances, interest bearing bank balances, and Fed funds sold and securities purchased under agreements to resell

Source: Call Report data for commercial banks based upon headquarters location. Averages are calculated on a "trimmed" basis by removing the highest 10% and lowest 10% of ratio values prior to averaging to prevent distortion from outliers. All charts display quarterly data, except for return on average assets which displays the same quarter in each year. Growth rates are not adjusted for mergers. Graphics and data exclude "De Novo" banks (banks less than five years old). As of the latest period, the count of banks included in these statistics were 27 for the state and 4,882 for the nation. Utah banking averages reflect the specialty business models of several banks in the state (even after excluding industrial banks). These lenders often report elevated consumer lending, off-balance sheet activity, and usage of noncore funding.

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Banks at a Glance: Utah-Industrial

Economic and Banking Highlights

Financial Institution Supervision and Credit
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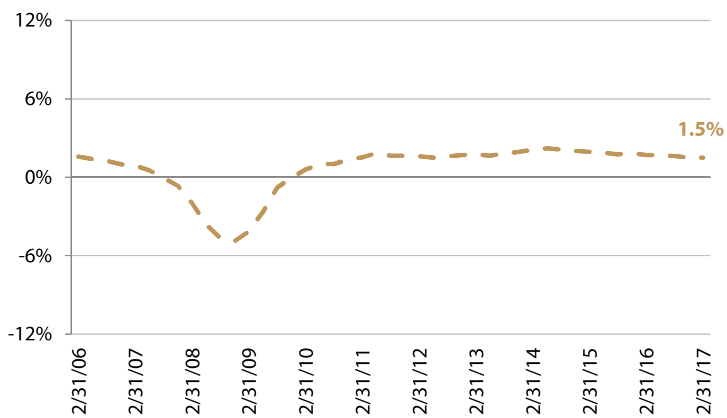
FEDERAL RESERVE BANK OF SAN FRANCISCO

Data as of 12/31/2017

- Most of the industrial banks headquartered in Utah engage in credit card or other consumer lending to customers nationwide. These banks, somewhat limited in the type of activity they can conduct (per the Bank Holding Company Act of 1956) can be owned by nonfinancial firms, which include Alliance Data Systems, American Express, BMW, CardWorks, Sallie Mae, UBS, WEX Inc, CMS Energy, and Pitney Bowes.
- Utah-based industrial bank profitability remained strong in 2017 with an average return on assets of 3.25%, well higher than the typical returns at commercial banks. With a healthy national economy, credit quality metrics remained good with nonperforming asset ratios near 20-year lows, although credit card past due rates edged up in recent quarters. The typical loan mix has trended towards more consumer lending over time, mainly due to shrinkage in the industry (the number of Utah industrial banks dropped from 32 to 15 since 2006 with similar declines in other states, from 27 to 10). Many of the former industrial banks (some now commercial banks) had more diverse lending profiles.

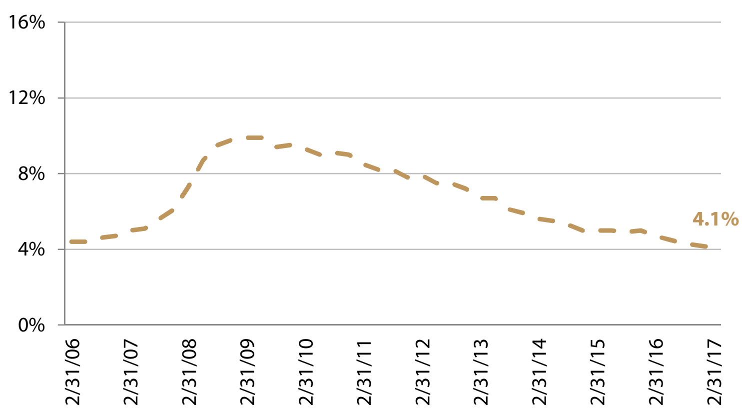
Key Economic Metrics - Nation

Year-over-Year Job Growth: 1.5%



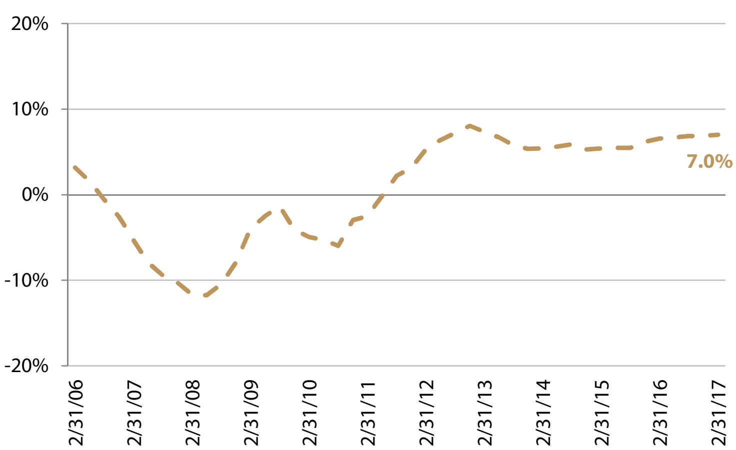
Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 4.1%



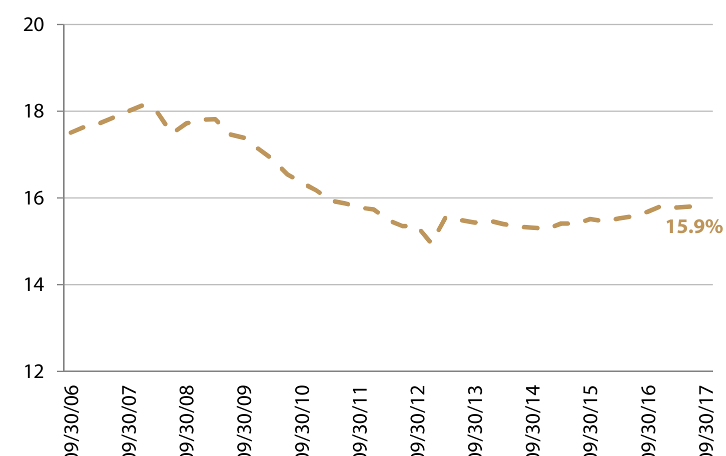
Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 7.0%



Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Household Financial Obligation Payments / Disposable Personal Income: 15.9%

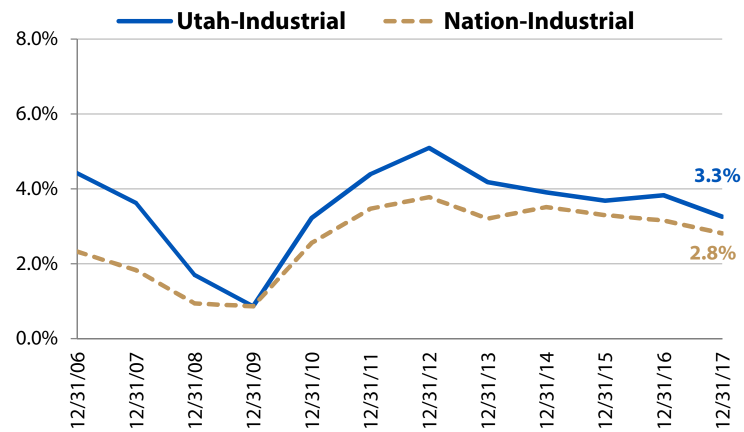


Ratio of all household financial obligations payments as a percentage of disposable personal income (estimated). Source: Federal Reserve

Banks at a Glance: Utah Industrial Banks

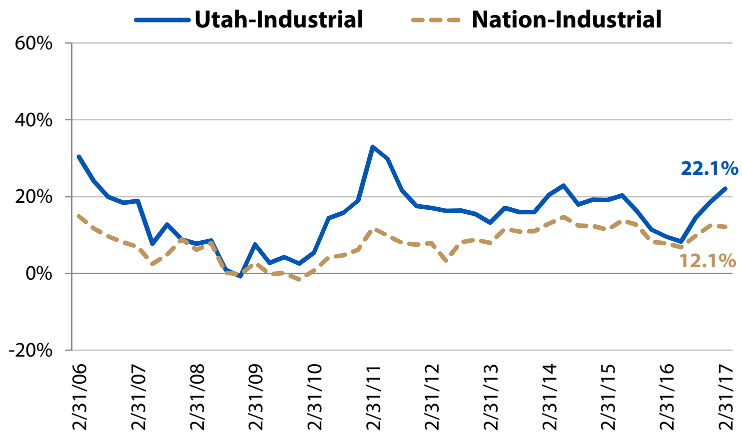
Key Banking Metrics (averages across Industrial banks)

Year to Date Return on Average Assets: 3.3%

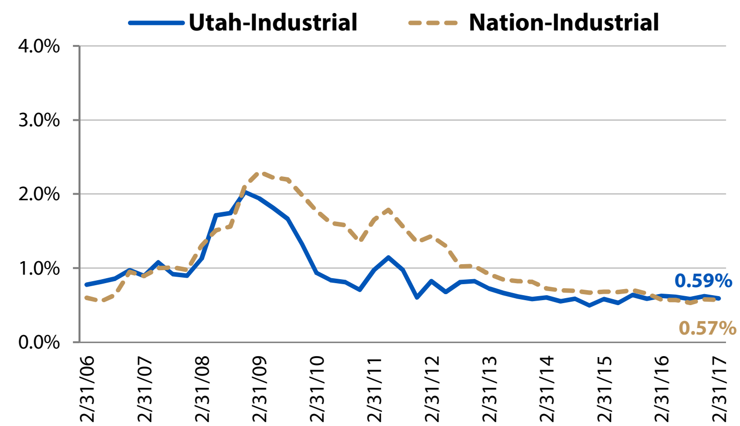


Net income / average assets, adjusted for S-Corps, annualized

Year-over-Year Net Loan Growth: 22.1%

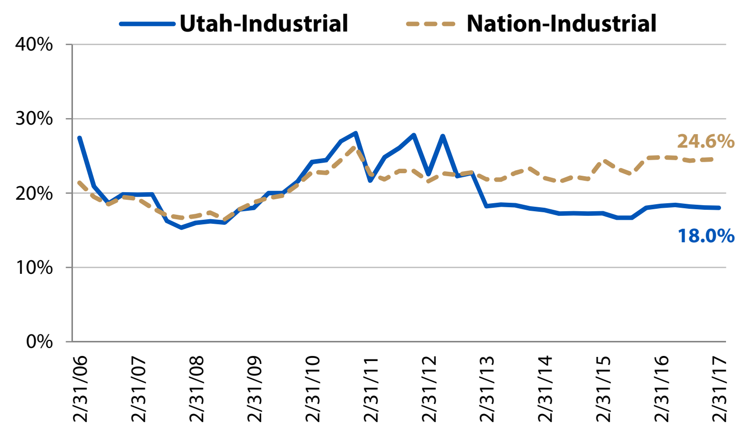


Nonperforming Assets / Total Assets: 0.6%



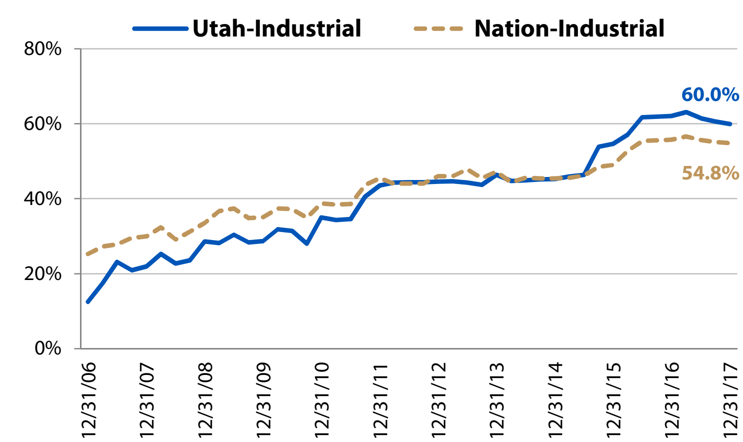
90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 18.0%



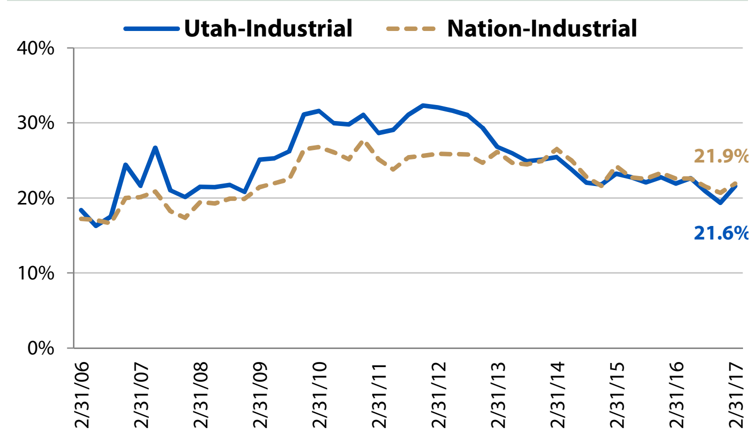
Total capital / risk-weighted assets

Consumer Loan Mix: 60.0%



Total consumer loans / total loans and leases; commercial & industrial loans accounted for 18% of total loans, on average, as of 12/31/17.

Securities and Liquid Invest. / Total Assets: 21.6%



Liquid investments = cash, due from balances, interest bearing bank balances, and Fed funds sold and securities purchased under agreements to resell

Source: Call Report data for industrial banks based upon headquarters location. Averages are calculated on a "trimmed" basis by removing the highest 10% and lowest 10% of ratio values prior to averaging to prevent distortion from outliers. All charts display quarterly data, except for return on average assets which displays the same quarter in each year. Growth rates are not adjusted for mergers. Graphics and data exclude "De Novo" banks (banks less than five years old). As of the latest period, the count of industrial banks included in these statistics were 15 for the state and 25 for the nation.

For this and other publications, see: https://www.frbsf.org/banking/publications

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Banks at a Glance: Washington

Economic and Banking Highlights

Financial Institution Supervision and Credit
sf.fisc.publications@sf.frb.org

FEDERAL RESERVE BANK OF SAN FRANCISCO

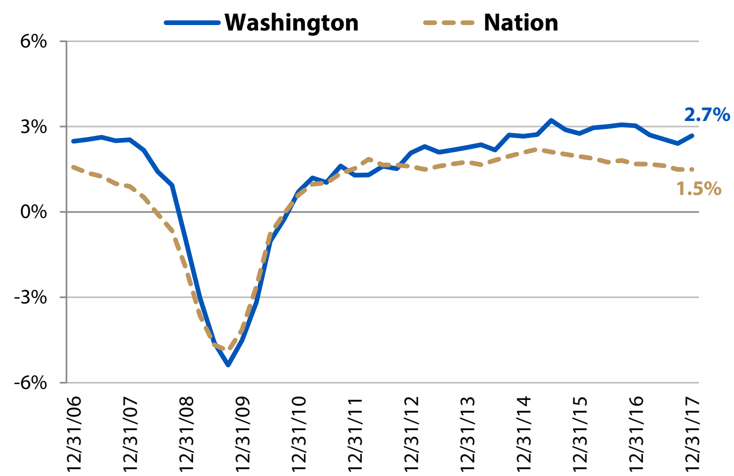
Data as of 12/31/2017

- Washington's economy remained among the strongest in the nation, despite slowed growth in the second half of 2017 due to a weakened manufacturing industry. Job growth stayed well above the national average, but slowed in the past year. Unemployment was high compared to the nation, with unemployment concentrated outside of the tech-supported Seattle metro area. Although home building outpaced the nation on a per capita basis, housing markets remained undersupplied, contributing to home price appreciation.
- Washington's banks had mixed results in the second half of 2017. Return on average assets declined below the national average due to one-time write-downs of deferred tax assets, although pre-tax return on average assets increased year-over-year. The average non-performing assets ratio improved since mid-2017 and was again among the lowest in the nation. Regulatory capital did not keep pace with risk-weighted asset growth, which was increasingly centered in commercial real estate loans. Continued loan growth caused on-balance sheet liquidity to tighten year-over-year; however, liquid investments were higher than pre-crisis levels.

Key Economic Metrics (ranking #1 = highest in the nation)

Year-over-Year Job Growth: 2.7%

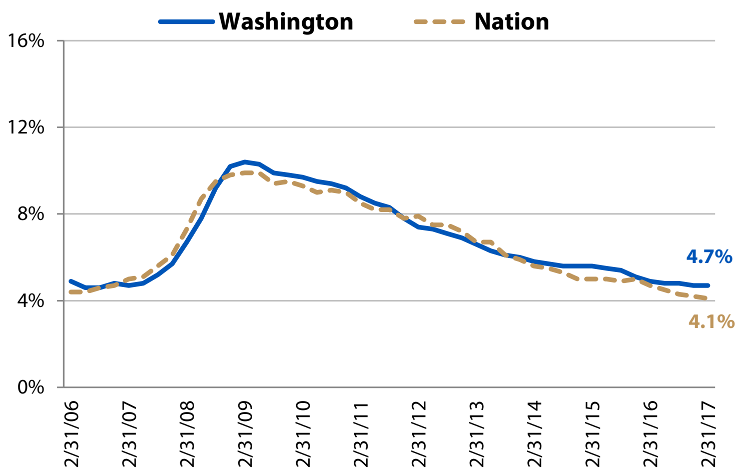
Rank: #4



Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 4.7%

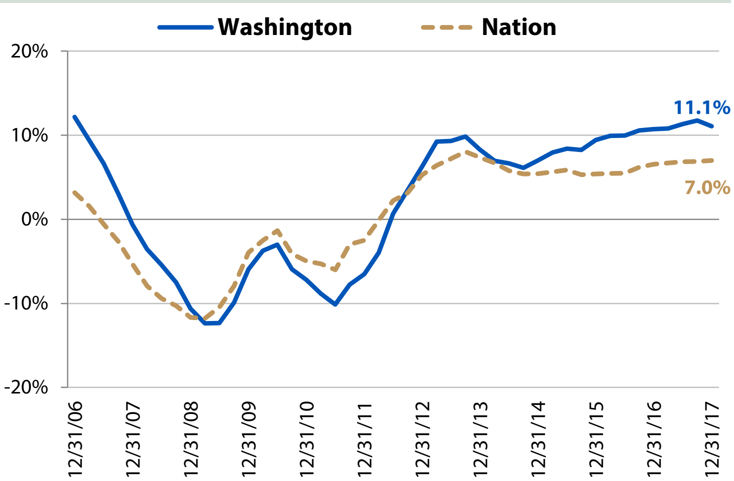
Rank: #9



Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 11.1%

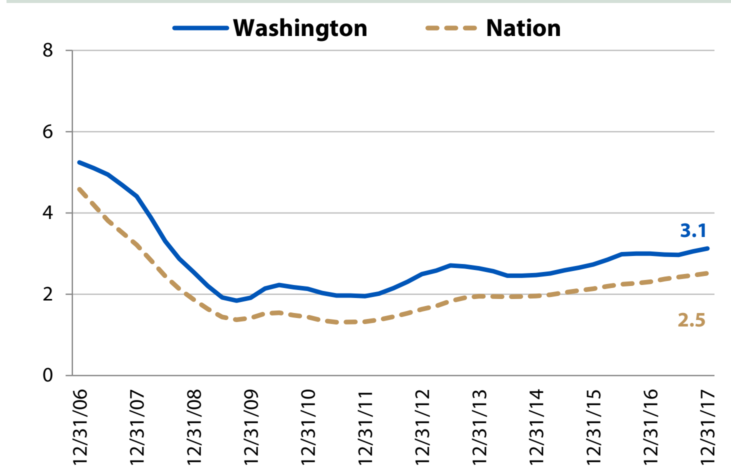
Rank: #2



Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 3.1

Rank: #14



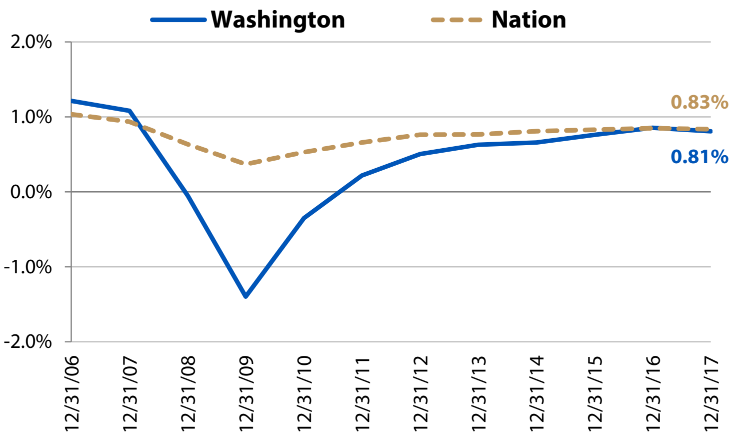
Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

Banks at a Glance: Washington

Key Banking Metrics (averages across banks; ranking #1 = highest in the nation)

Year to Date Return on Average Assets: 0.81%

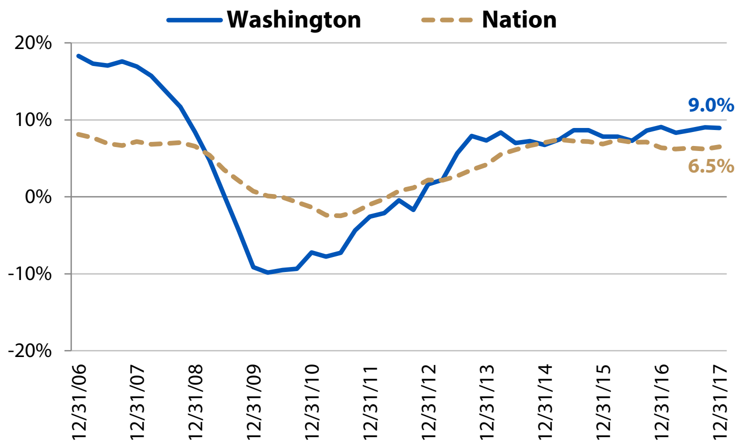
Rank: #29



Net income / average assets, adjusted for S-Corps, annualized

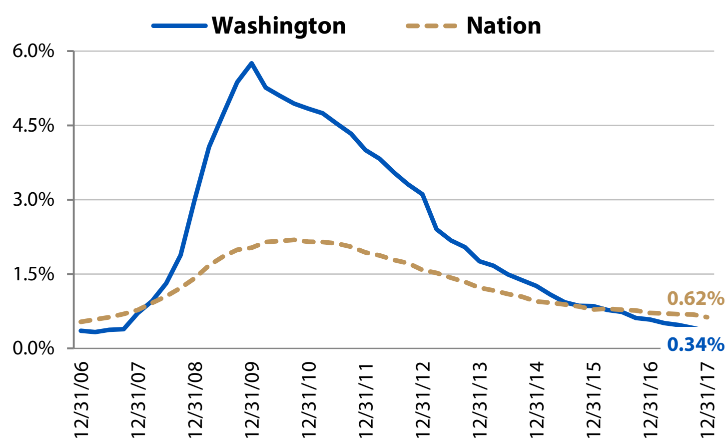
Year-over-Year Net Loan Growth: 9.0%

Rank: #10



Nonperforming Assets / Total Assets: 0.34%

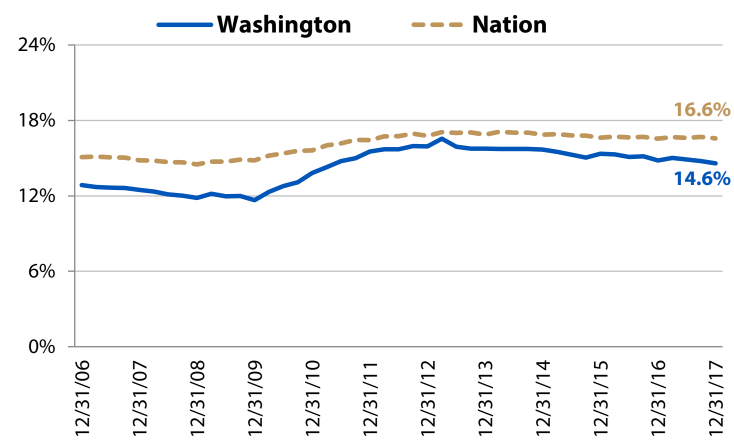
Rank: #45



90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 14.6%

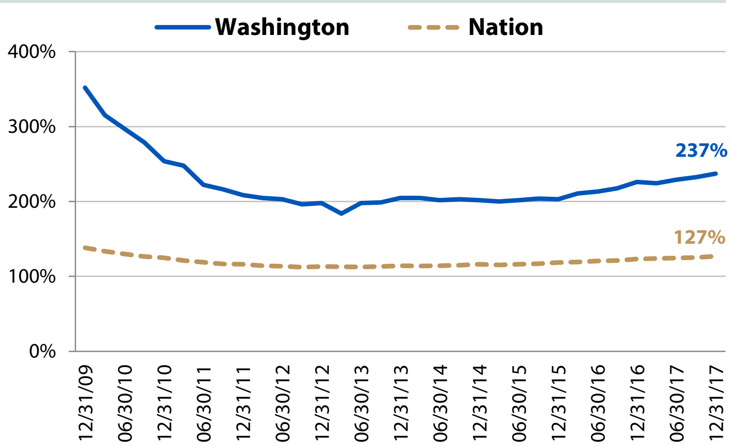
Rank: #41



Total capital / risk-weighted assets

CRE Concentration: 237%

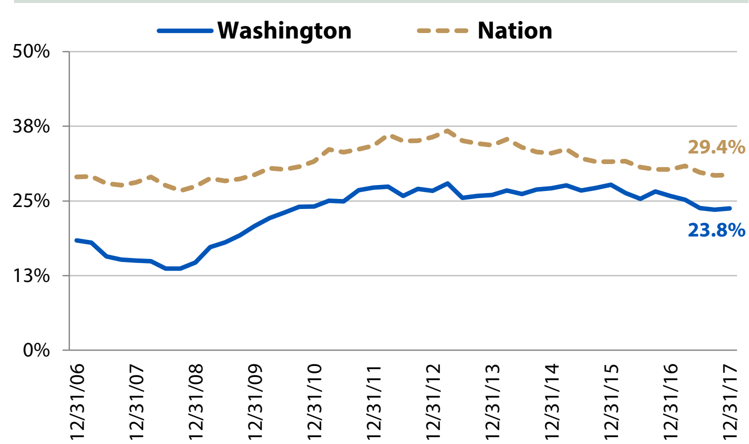
Rank: #4



Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 23.8%

Rank: #38



Liquid investments = cash, due from balances, interest bearing bank balances, and Fed funds sold and securities purchased under agreements to resell

Source: Call Report data for commercial banks based upon headquarters location. Averages are calculated on a "trimmed" basis by removing the highest 10% and lowest 10% of ratio values prior to averaging to prevent distortion from outliers. All charts display quarterly data, except for return on average assets which displays the same quarter in each year. Growth rates are not adjusted for mergers. Graphics and data exclude "De Novo" banks (banks less than five years old). As of the latest period, the count of banks included in these statistics were 37 for the state and 4,882 for the nation.

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